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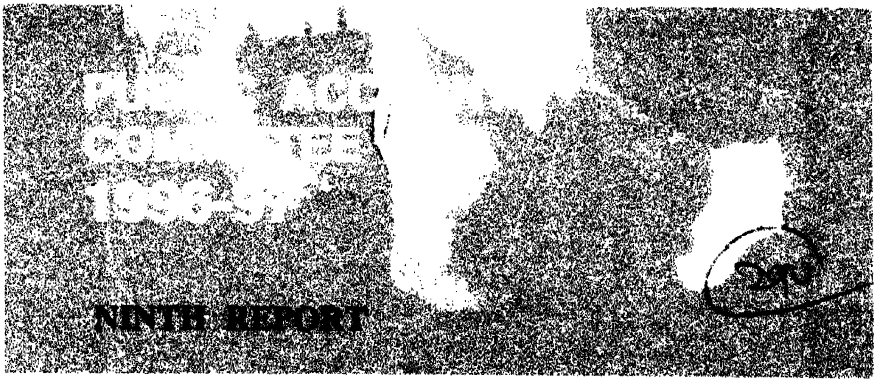
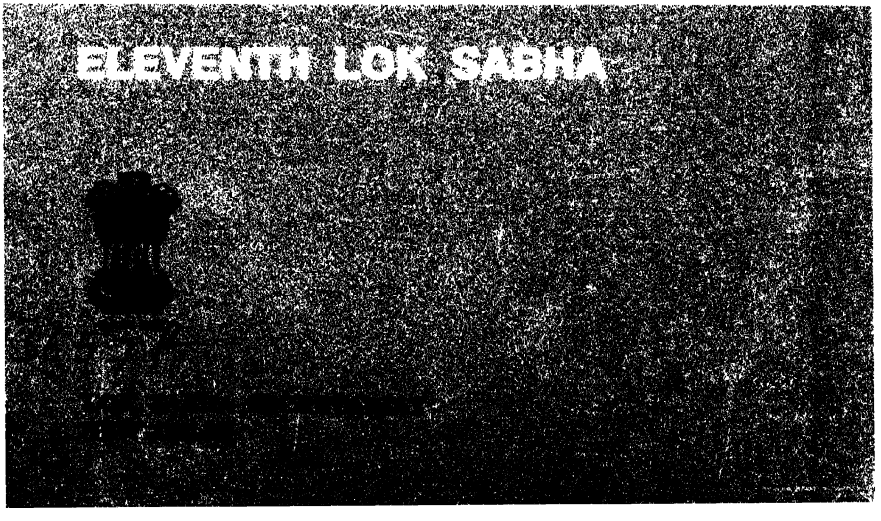
FOLLOW UP ON AUDI REPORTS

MINISTRY OF FINANCE (DEPARTMENT OF EXPENDITUR.





NINTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1996-97)

(ELEVENTH LOK SABHA)

FOLLOW UP ON AUDIT REPORTS

MINISTRY OF FINANCE
(DEPARTMENT OF EXPENDITURE)

[Action Taken on 105th Report of Public Accounts Committee (10th Lok Sabha)]

Presented to Lok Sabha on 22 April, 1997
Laid in Rajya Sabha on 22 April, 1997

LOK SABHA SECRETARIAT
NEW DELHI

April, 1997 / Chaitra, 1919 (Saka)

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(1996-97)

Dr. Murli Manohar Joshi—*Chairman*

MEMBERS

LOK SABHA

2. Shri Anandrao Vithoba Adsul
3. Shri Nirmal Kanti Chatterjee
4. Shri Ramesh Chennithala
5. Shri Prithviraj D. Chavan
6. Smt. Meira Kumar
7. Smt. Sumitra Mahajan
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RAJYA SABHA

16. Shri Ramdas Agarwal
17. Smt. Margaret Alva
18. Shri Rahasbihari Barik
19. Shri Ajit P.K. Jogi
20. Shri R.K. Kumar
21. Shri N. Giri Prasad
22. Shri Rajubhai A. Parmar

SECRETARIAT

1. Dr. A. K. Pandey	—	Additional Secretary
2. Shri J.P. Ratnesh	—	Joint Secretary
3. Smt. P.K. Sandhu	—	Director
4. Shri P. Sreedharan	—	Deputy Secretary
5. Shri Rajeev Sharma	—	Under Secretary

INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee, do present on their behalf, this Ninth Report on action Taken by Government on the recommendations of the Public Accounts Committee contained in their 105th Report (10th Lok Sabha) on Follow up on Audit Reports.

2. This Report was considered and finalised by the Public Accounts Committee at their sitting held on 9 April, 1997. Minutes of the sitting form Part II of the Report.

3. For facility of reference and convenience, the recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix to the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;
14 April, 1997
24 Chaitra, 1919 (Saka)

DR. MURLI MANOHAR JOSHI,
Chairman,
Public Accounts Committee.

CHAPTER I

REPORT

This Report of the Committee deals with the action taken by Government on the observations/recommendations of the Committee contained in their Hundred and Fifth Report (Tenth Lok Sabha) on paragraph 11.3 of the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1994, No. 1 of 1995, Union Government (Civil) (clubbed with other similar Paragraphs contained in C&AG's Report Nos. 5, 7 and 10 of 1995) relating to Follow up on Audit Reports.

2. The Hundred and Fifth Report which was presented to Lok Sabha on 17 August, 1995 contained nine observations/recommendations. Action taken notes on all these observations/recommendations have been received from the Ministry of Finance (Department of Expenditure—Monitoring Cell). All observations/recommendations contained in this Report have been accepted by Government.

3. In the succeeding paragraphs the Committee will deal with the action taken by Government on some of their recommendations.

Pendency position in submission of remedial/corrective action taken notes

4. Till 1981, there was no practice of ascertaining the action taken by the Ministries/Departments on the audit paragraphs not selected by the Committee for detailed examination. However, with a view to ensuring enforcement of accountability of the executive in respect of all the issues dealt with in various Audit Reports, the Public Accounts Committee at their sitting held on 7 April, 1982 decided that the Audit Reports for the year 1980-81 be referred to the Ministries/Departments concerned for furnishing notes duly vetted by Audit showing remedial/corrective action taken on all the paragraphs contained therein. Subsequently the Committee also decided that these instructions were to be treated as standing instructions for future also. At the instance of the Committee, the Monitoring Cell in the Ministry of Finance (Department of Expenditure) was entrusted with the task of coordination and collection of the notes from the various Ministries and forwarding the same to the Lok Sabha Secretariat.

5. In their 105th report, the Committee observed that there had been inordinate delays and persisting failures on the part of a large number of Ministries in reporting to the Committee the remedial/corrective action taken on Audit paragraphs in accordance with the directions of the

Committee issued in April, 1982. In this connection, the Committee in paragraph 46 of their Report had observed:—

> ".....According to the information furnished by the Ministry of Finance (Department of Expenditure) in June, 1995, the remedial/ corrective action taken notes on as many as 519 paragraphs included in the various Audit Reports relating to 28 Ministries/ Departments upto the period ending 31 March, 1993 were awaited. Distressingly, 275 of these 519 paragraphs which constituted 53 per cent of the pendency, pertained to the Audit Reports relating to the years 1985-86 to 1990-91. Pertinently, the information made available by the Ministry of Finance was inexplicably incomplete insofar as it excluded several important Ministries/Departments like Defence, Defence Production, Posts, Telecommunications, Revenue etc. However, the available data in some of the relevant Audit Reports for the year 1995 revealed heavy pendencies in some of those Ministries/Departments also. For example, remedial/ corrective action taken notes on 143 paragraphs in respect of Department of Revenue (Direct Taxes) and 93 paragraphs in respect of Posts and Telecommunications included in the relevant Audit Reports upto the period ending March, 1993 were pending finalisation with the respective Departments."

The Committee had also observed that the results of audit of Government's financial transactions would be largely in vain and the enforcement of accountability of the executive in respect of all the issues dealt with in Audit Reports would remain a distant goal unless the Ministry of Finance (Department of Expenditure) devised an adequate machinery in the Monitoring Cell to ensure timely submission of the action taken notes. They, therefore, recommended that the Department of Expenditure should take urgent steps to revamp the system in the Monitoring Cell so that this cell could play an effective and purposeful role at least in the future. The Committee also desired the Monitoring Cell to make special efforts to ensure that conclusive remedial/corrective action taken notes duly vetted by Audit on all the outstanding audit paragraphs included in the Audit Reports upto the period ended 31 March, 1993 were obtained from the Ministries concerned and made available to them within three months from the date of presentation of this Report.

6. In their action taken note furnished to the Committee on 24 April, 1996 the Ministry of Finance (Deptt. of Expenditure) have stated as follows:

> "Earlier information furnished by the 'Monitoring Cell' to the Lok sabha Secretariat in response to their O.M. No. 20/1/2/95/PAC dated 22.6.1995 was restricted to civil Ministries only, under the mistaken impression that the Public Accounts Committee had sought information in respect of the pending Action taken Notes

relating to Union Civil Ministries. However, in view of the observations of Public Accounts Committee, "Monitoring Cell" has since compiled detailed information with regard to pending Action Taken Notes of all Departments/Ministries including Defence, Railways, Post & Telegraph, Central Board of Excise & Customs, Central Board of Direct Taxes, etc. (Annexure)".

7. The relevant statement furnished by the Ministry of Finance (Deptt. of Expenditure) on the pendency of action taken notes as on 7 March, 1996 (referred to above) is given below:—

Ministries/ Departments	No. of Paras pending before 105th Report of PAC	ATNs received upto 16.11.95	ATNs received from 17.11.95 to 7.3.96	ATNs pending with Audit	ATNs pending with Ministries/ Deptts.	Total Paras pending on date
1	2	3	4	5	6	7
Agri. & Cooperation	1	—	—	—	1	1
Coal	1	—	—	—	1	1
Commerce	21	5	13	3	—	3
Civil Aviation	2	—	—	2	—	2
Supply	4	—	1	2	1	3
Economic Affairs	7	—	2	3	2	5
Environment & Forest	5	—	2	2	1	3
Health	32	8	6	15	3	18
Home Affairs	58	3	16	19	20	39
I.C.A.R.	12	3	8	1	—	1
Education	38	1	4	16	17	33
External Affairs	30	4	9	9	8	17
Culture	11	—	—	—	11	11
Industry	16	12	—	4	—	4
Information & Broadcasting	20	6	10	4	—	4
Mines	6	—	—	—	6	6

1	2	3	4	5	6	7
N.C.E.S.	9	3	5	—	1	1
Petroleum & Natural Gas	1	—	—	1	—	1
Family Welfare	2	—	—	—	2	2
Planning (Statistics)	2	—	—	1	—	—
Power	5	2	2	—	1	1
Rural Dev	4	—	—	2	2	4
Tourism	6	—	1	—	5	5
Surface Transport	41	4	6	19	12	31
Textiles	8	—	2	—	6	6
Urban Development	65	—	20	8	37	45
Water Resources	21	—	8	6	7	13
Welfare	3	—	1	—	2	2
Women & Child Development	2	—	—	—	2	2
Youth Affairs	2	—	1	—	1	1
Revenue						
Direct Taxes	461	—	373	36	52	88
Indirect Taxes	268	3	40	13	212	225
Telecommunications	86	18	38	24	6	30
Posts	20	—	11	4	5	9
Railways	68	—	19	15	34	49
Defence	142	9	43	30	60	90
	1533	81	643	239	518	757

8. The Ministry in their action taken notes also stated that in pursuance of the directions of Public Accounts Committee, the "Monitoring Cell in the Department of Expenditure had been revamped" and was no longer functioning as a mere "Post Office". They also stated that the cell has started actively pursuing pending action taken notes with different Departments/Ministries at appropriate levels. In case of long and presistent delays, the matters were being pursued with the concerned administrative Secretaries/Financial Advisers through demi-official letters at the level of Secretary (Expenditure) and Controller General of Accounts. The Ministry also referred to the various letters issued from the Monitoring Cell from time to time to the Ministries/Departments concerned.

9. Emphasising the need for toning up the administration in the Ministries/Departments at various levels for timely finalisation of

remedial/corrective action taken notes, the Committee in paragraph 49 of their 105th Report had recommended as follows:

> "As has already been brought out earlier in this Report, the Committee's examination of the pendency of finalisation of remedial/ corrective action taken notes has revealed that such notes on about 755 paragraphs included in the various Audit Reports upto the period 31 March, 1993 are still awaited from over 30 Ministries/ Departments. Since it was not possible to examine all these Ministries, the Committee took up for examination only the illustrative cases relating to the Ministries of Commerce, Information and Broadcasting, Urban Development and Railways. The fact that subsequent to the selection of this subject for detailed examination by the Committee, all these four Ministries have introduced new systems specifying responsibilities at various levels for timely finalisation of remedial/corrective action taken notes clearly brings to the forefront the inadequacy in institutional arrangements which were hitherto in existence in these Ministries to watch progress of finalisation of notes indicating remedial/corrective action taken on the audit paragraphs relating to them. Surprisingly, the Ministry of Railways have gone on record to state that the thrust in the existing arrangement was mainly on sending timely replies to Draft paras/Provisional paras and the same amount of attention was not given to follow-up action taken on the various paragraphs included in the C&AG's Report. In the opinion of the Committee, this state of affairs indicates nothing but the callous attitude of the Ministries in evolving a sound system to review the position of the audit paragraphs on which remedial/ corrective action taken notes are to be finalised and submitted by them to the Committee within the prescribed time schedule. The net result is that remedial/corrective action taken notes in a large number of cases continue to remain outstanding in different Ministries for considerably longer periods of time thus rendering virtually nugatory the entire purpose of parliamentary scrutiny of the various issues brought out in different Reports of the C&AG laid on the Table of the House. The Committee would therefore, like to emphasise the need for thorough overhaul of the systems prevalent in the various Ministries/Departments for monitoring progress of finalisation of remedial/corrective action taken notes and their timely submission to the Committee. The Committee desire that all Ministries/ Departments should tone-up their administration and evolve effective machinery with a view to ensuring timely submission of the remedial/ corrective action taken notes to the Committee. They would like the Department of Expenditure to furnish a consolidated position indicating the concrete steps taken by the various Ministries/ Departments in this regard."

10. In their action taken note furnished to the Committee on 24 April, 1996 the Ministry of Finance (Department of Expenditure) stated as under:—

> "In pursuance of the observations made by the Public Accounts Committee, the "Monitoring Cell" has already requested different administrative Departments/Ministries *vide* DO. letter No. 4/4/95-MC dated 14.3.96 to tone up their administration and evolve an effective machinery for ensuring timely submission of action taken notes to the Lok Sabha Secretariat.
>
> The Ministries/Departments have taken several steps to tone up their administration and have also taken action to evolve a mechanism, whereby possibility of delays in the submission of action taken notes is minimised. In this connection, a consolidated note on this has been prepared on the basis of the replies received from the various Ministries/Departments and enclosed herewith (Annexure-Reproduced in Chapter II of the Report) for the perusal of the Committee. In most Departments/Ministries, review Committee have been set up under their Financial Advisors/Chief Controller of Accounts."

11. When asked to indicate the latest position of pendency of submission of remedial/corrective action taken notes pertaining to Audit Reports for the period ended 31 March, 1993, the Ministry of Finance (Department of Expenditure) in their note furnished to the Committee on 11 March, 1997 inter-alia stated as follows:—

> "As a result of the efforts made by "Monitoring Cell" there has been considerable improvement in reducing the pendency of action taken notes, which has gone down from 1533 at the time of receipt of PAC's 105th Report to 352 (*i.e.* a reduction of over 77%). It is expected that the position would further improve after several action taken notes submitted to Audit by different Ministries are received back duly vetted, and are transmitted to Lok Sabha Secretariat."

12. In paragraph 51 of their Report, the Committee had recommended that in future the vetted remedial/corrective action taken notes on Audit paragraphs included in various Reports of the C&AG laid on the Table of the House be furnished to the Committee through Monitoring Cell within a period of three months from the date when the selection of subjects by the Committee for a particular year is communicated to the Ministries/ Departments. Subsequent to the presentation of the 105th Report, Audit Reports pertaining to the years ended 31 March, 1994 and 1995 had also been laid on the Table of the House. Out of 792 paragraphs on which replies were required to be submitted, remedial/corrective action taken notes in respect of about 400 paragraphs are still awaited from the Ministry of Finance (Department of Expenditure—Monitoring Cell) in respect of Audit Reports pertaining to the year ended 31 March, 1994. Further, out

of 925 paragraphs relating to Audit Reports for the year ended 31 March, 1995, the action taken notes, which were due to be submitted by 24 December, 1996 were furnished on 176 paragraphs only. (as on 27 March, 1997)

13. Taking a serious view of the inordinate delays and persistent failures on the part of a large number of Ministries/Departments in furnishing the remedial/corrective action taken notes on the Audit paragraphs relating to them, the Committee had desired that the requisite notes duly vetted by Audit on all the pending paragraphs of the audit Reports upto the period ended 31 March, 1993 he submitted to them within a period of three months from the date of presentation of their earlier Report. The Committee regret to note that out of 1533 paragraphs on which notes were outstanding at the time of presentation of their Original Report, the replies were submitted within three months on 81 paragraphs only, which constituted a mere 5.3 per cent. Notes in respect of more than 50 per cent of the pending Audit paragraphs remained outstanding even in March, 1996, *i.e.* after the lapse of a period of more than six months from the presentation of the Report of the Committee. What has caused deep concern to the Committee is that the remedial /corrective action taken notes are still pending in respect of as many as 352 out of the 1533 Audit paragraphs. The Committee, therefore, are constrained to observe that despite the claims made by the Ministry of Finance to have revamped their Monitoring Cell for expeditious submission of the requisite notes to the Committee, the actual performance of the Cell continues to be highly unsatisfactory. While expressing their displeasure over the same, the Committee desire that effective steps be taken urgently and submission of all the pending notes be expedited within a period of two months from the presentation of this Report.

14. In their earlier Report, the Committee had also emphasised the need for a thorough overhaul of the systems prevalent in the various Ministries/ Departments for monitoring the progress of finalisation of remedial/ corrective action taken notes and their timely submission to the Committee. The Ministry of Finance have now stated that the Ministries/Departments have taken several steps to tone up their administration and also have taken action to evolve a mechanism, whereby possibility of delays in the submission of action taken notes is minimised. Considering the fact that action taken notes in respect of as many as 352 paragraphs pertaining to Audit Reports for the period ended 31 March, 1993 are yet to be submitted, it is obvious that the measures taken are quite inadequate and the Committee are not inclined to accept the efficacy of the improvements in the system claimed to have been effected by the various Ministries/ Departments. The Committee, therefore, desire that the reasons for the failures of the Ministries/Departments concerned who had defaulted in the 353 cases mentioned above should be thoroughly inquired into and responsibility fixed for the lapses. The Committee also desire that the

Ministry of Finance should obtain and submit a consolidated report to them in this regard including the additional measures adopted.

15. The Committee note with concern that the follow-up-action taken on Audit Reports subsequent to the years ended 31 March, 1993 has also been tardy. It is disconcerting to find that out of a total of 792 paragraphs on which remedial/corrective action taken notes were due in respect of Audit Reports for the year ended 31 March, 1994, the Ministry of Finance (Department of Expenditure—Monitoring Cell) are yet to furnish replies in respect of about 400 paragraphs. Further, out of 925 paragraphs relating to Audit Reports for the year ended 31 March, 1995, the action taken notes, which were due to be submitted by 24th December, 1996, were furnished on 176 paragraphs only. This further fortifies that as in the case of the nodal agency, *viz.* the Ministry of Finance (Department of Expenditure) the improvements in the system claimed to have been effected in the other Ministries/Departments concerned remained simply on paper and not in terms of tangible results. While expressing their dissatisfaction over the same, the Committee desire that the matter be looked into and concerted efforts made by all concerned to streamline the process of submission of remedial/corrective action taken notes in time. The Committee also desire that the submission of all the pending action taken notes pertaining to Audit Reports for the years ended 31 March, 1994 and 1995 be expedited within a period of three months from the presentation of this Report.

16. In their earlier Report, the Committee had recommended that in future the vetted remedial/corrective action taken notes on Audit paragraphs included in various Reports of the C&AG laid on the Table of the House be furnished to the Committee through Monitoring Cell within a period of three months from the date when the selection of subjects by the Committee for a particular year was communicated to the Ministries/ Departments. The Committee have further reviewed the said time limit particularly taking into account some difficulties brought to the notice of the Committee earlier by a few Ministries, the inevitable delay in the constitution of the Committee in certain peculiar situations, the time involved in the process of obtaining the notes vetted by Audit etc. Accordingly, the Committee recommend that remedial/corrective action taken notes on all paragraphs of the Reports of the C&AG (including those selected by the Committee for detailed examination), duly vetted by Audit, be furnished to them through the Ministry of Finance (Department of Expenditure Monitoring Cell) within a period of four months from the date of the laying of Audit Reports on the Table of the House starting from the Reports of the C&AG of India for the year ended 31 March, 1996 onwards.

CHAPTER II

RECOMMENDATIONS AND OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation

The manifold increase in the Governmental expenditure on multifarious activities in the recent times has widened the scope of audit scrutiny with the result that more and more cases of waste, loss, extravagant or nugatory expenditure as well as comprehensive review of various developmental schemes are being included in the various reports of the C&AG laid on the Table of the House in successive years. Similarly, the scope of Audit on revenue receipts has also widened considerably. Since it is not possible for the Public Accounts Committee to go into every issue dealt with in the various reports of the C&AG, it has made it incumbent for the Committee to be selective in approach. Accordingly, the Committee at the beginning of their term every year, generally, select for in-depth examination only 30-35 most important paragraphs according to their relative importance out of an average of over 400 paragraphs included in various reports of the C&AG laid on the Table of the House every year. Till 1981, there was no practice of ascertaining the action taken by the Ministries/Departments on the audit paragraphs not selected by the Committee for detailed examination. However, with a view to ensuring enforcement of accountability of the Executive in respect of all the issues dealt within various audit reports, the Public Accounts Committee (1981-82) decided that the various Audit Reports for the year 1980-81 be referred to the Ministries concerned for furnishing notes duly vetted by audit showing remedial/corrective action taken on all the paragraphs contained therein. Subsequently, the Committee also decided that these instructions were to be treated as Standing Instructions' for future also. The Monitoring Cell in the Ministry of Finance (Department of Expenditure) was entrusted with the task of coordination and collection of the notes from the various Ministries and forwarding the same to the Lok Sabha Secretariat. It was also clarified to the Monitoring Cell in September, 1982 that the decision of the Committee to call for notes showing remedial/corrective action taken on the reports of the C&AG would continue to hold good so long as it was not revised by the Committee themselves and that suitable arrangements were to be made for coordination and collection of notes by them on a continuing basis. Since then the Lok Sabha Secretariat has been issuing instructions every year to the Ministries concerned requesting them to furnish to the Secretariat notes indicating remedial/corrective action

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taken by them on the various audit paragraphs pertaining to them duly vetted by Audit through Monitoring Cell in the Department of Expenditure by a specified date.

[Sl. No. 1 - Appendix-IV-Para 45 of 105th Report of P.A.C. (10th Lok Sabha)]

Action Taken by the Government

In pursuance of the recommendations of the Public Accounts Committee, a 'Monitoring Cell' was set up in the Department of Expenditure (Ministry of Finance) in 1976 after obtaining approval of the Committee of Secretaries on Internal Affairs. Originally, the Cell was meant for coordinating the progress in respect of reports of the Public Accounts Committee. In April 1982, work relating to the monitoring of Action Taken Notes in respect of paras included in reports of the Comptroller & Auditor General of India was also entrusted to the 'Monitoring Cell'. Since then, the 'Monitoring Cell' in the Department of Expenditure (Ministry of Finance) has been taking action for coordination and collection of the Action Taken Notes from different Departments/ Ministries and forwarding the same to the Lok Sabha Secretariat. The directions of the Public Accounts Committee received through the Lok Sabha Secretariat are being regularly conveyed to the administrative Ministries for ensuring compliance.

This has been vetted by Audit vide their U.O.No.RR/1-31/95-96/23 dated-4.4.96

[Ministry of Finance (Expenditure) O.M.No. 1/10595-MC dated 4.4.1996]

Recommendation

The review of the position regarding receipt of remedial Action Taken Notes undertaken by Audit and subsequent examination of this subject by the Committee has, however, revealed that there had been inordinate delays and persisting failures on the part of a large number of Ministries in reporting to the Committee the remedial/corrective action taken on audit paragraphs relating to them. According to the information furnished by the Ministry of Finance (Department of Expenditure) in June, 1995, the remedial/corrective Action Taken Notes on as many as, 519 paragraphs included in the various Audit Reports relating to 28 Ministries/ Departments upto the period ending 31 March, 1993 were awaited. Distressingly, 275 of these 519 paragraphs which constituted 53 percent of the pendency, pertained to the Audit Report relating to the years 1985-86 to 1990-91. Pertinently, the information made available by the Ministry of Finance was inexplicably incomplete in sofar as it excluded several important Ministries/Departments like Defence, Defence Production, Posts, Telecommunications, Revenue etc. However, the available data in some of the relevant Audit Reports for the year 1995 revealed heavy

pendencies in some of those Ministries/Departments also. For example, remedial/corrective Action Taken Notes on 143 paragraphs in respect of Department of Revenue (Direct Taxes) and 93 paragraphs in respect of Posts and Telecommunications included in the relevant Audit Reports upto the period ending March, 1993 were pending finalisation with the respective Departments. In the opinion of the Committee, this huge pendency of remedial/corrective Action Taken Notes in a large number of Ministries/Departments clearly reveals that this issue was handled in a most unsatisfactory manner and also not given the attention it deserved. Keeping in view the fact that the mechanism for obtaining remedial/ corrective Action Taken Notes on all the paragraphs included in various Audit Reports was evolved by the Committee for ensuring accountability of the Executive towards Parliament, the Committee consider it unfortunate that the several Ministries failed to furnish the remedial/ corrective Action Taken Notes to the Committee on a large number of paragraphs even 6-7 years after the relevant Audit Reports were laid on the Table of the House. This poor spectacle of state of affairs has not only exposed inadquacies in the existing institutional arrangements in the Ministries for watching progress of finalisation of notes indicating remedial/corrective action taken on audit paragraphs relating to them but also negated the very object of ensuring timely and effective Parliamentary control over the Government's financial activities and all executive actions relating thereto.

[Sl. No. 2 Appendix-IV - Para 46 of 105th Report of P.A.C. (10th Lok Sabha)]

Action Taken by the Government

Earlier information furnished by the 'Monitoring Cell' to the Lok Sabha Secretariat in response to their O.M.No. 20/1/2/95/PAC dated 22-6-1995 was restricted to civil Ministries only, under the mistaken impression that the Public Accounts Committee had sought information in respect of the pending Action Taken Notes relating to Union Civil Ministries. However, in view of the observations of Public Accounts Committee, 'Monitoring Cell' has since compelled detailed information with regard to pending Action Taken Notes of all Departments/Ministries including Defence, Railways, Post & Telegraph, Central Board of Excise & Customs, Central Board of Direct Taxes, etc. Efforts have also been initiated to computerize relevant data regarding the pendency of Action Taken Notes, so that more effective monitoring could take place. The Monitoring Cell has called for the information from all the Ministries regarding steps taken by the Ministries for ensuring timely submission of Action Taken Notes and the information received from various Ministries has been consolidated and annexed herewith (Annexure). It would be seen therefrom that the Ministries have now toned up their administration considerably and have evolved a mechanism to minimise delays in submission of action Taken Notes in respect of paras included in C&AG's Reports. The Monitoring

Cell has also toned up its administration for effectively monitoring the timely submission of Action Taken Notes through reminding the defaulters periodically at the highest level, taking up the matter in Committee of secretaries etc. It is believed that the new system would work well and the delays would be minimised.

This has been vetted by Audit *vide* their U.O. No. RR/1-32/95-96 dated 04-04-1996.

[Ministry of Finance (Expenditure) O.M.No. 1/105/95-MC dated 24-04-1996.]

ANNEXURE

Note indicating the concrete steps taken by the various Departments/ Ministries for finalisation of pending Action Taken Notes

1. Ministry of Railways (Railway Board): The Ministry of Railways have envisaged a three tier system for ensuring timely submission of Action Taken Notes. The details of three tier system are as under:

(i) **Field Level** - At the Divisional level the Senior Divisional Accounts Officer would coordinate 'Follow up Action'.

(ii) Zonal Headquarters Level: Financial Adviser & Chief Accounts Officer of the zone would coordinate the work relating to timely submission of Action Taken Notes.

(iii) Railway Board Level: The Executive Director (Accounts) would be incharge of coordination work relating to action Taken Notes.

2. Ministry of Urban Affairs & Employment (Department of Urban Development: Chief Controller of Accounts has been made the nodal officer to watch monthly progress of submission of Action Taken Notes. In addition, a quarterly meeting would be taken by Financial Adviser of the Ministry to review cases, where persistent delays have occurred. Furthermore, a status report on pendency of Action Taken Notes would also be Osubmitted to Secretary of the Ministry to enable him to hold review meetings at the level of Secretary/Additional Secretary.

3. Council of Scientific & Industrial Research: System of monitoring of Action Taken Notes has not only been streamlined in the Council Headquarters, but also in its Constituent Units. An officer of the rank of Deputy Secretary/Deputy Financial Adviser has been assigned responsibility of coordinating the work at headquarters office.

4. Ministry of Rural Areas & Employment: An *'ad hoc'* Committee under the Financial Adviser of the Ministry has been consituted for expediting submission of Action Taken Notes in respect of pending paras. The meetings of *'ad hoc'* Committee would be held evey month to review the position.

5. Ministry of Labour: Budget & Accounts Section coordinates with concerned Sections for finalisation of action Taken Notes within the time limit. A monthly report is submitted to Financial Adviser in this regard. Follow up action is also being taken up with the Audit on regular basis Furthermore, submission of action Taken Notes would also be reviewed in the quarterly meetings to be taken by the Secretary.

6. Ministry of Information & Broadcasting: To tone-up the existing system of monitoring submission of Action Taken Notes, responsibility has been assigned by nominating nodal officers in the Media Units also in the Ministry. The concerned Director/Deputy Secretary will hold monthly meeting with nodal officers of the media units. Thereafter, Chief Controller of Accounts will hold periodic meetings with concerned Deputy Secretary/Directors and bring cases of abnormal delays to the notice of Additional Secretary & Financial Adviser, who would then hold periodic meeting with concerned Joint Secretary.

7. Ministry of Human Resource Development (Department of Education): In order to expedite the settlement of pending Action Taken Notes, the Education Secretary is taking review meetings with Bureau heads.

8. Ministry of Civil Supplies, Consumer Affairs & Public Distribution: Budget and Finance Division under the supervision of Additional Secretary & Financial Adviser is closely monitoring with the Divisional Heads for timely finalisation of action Taken Notes.

9. Ministry of Health & Family Welfare: For monitoring the progress of finalisation of Action Taken Notes, a Committee has been set up under Chief Controller of Accounts and a representative of the Audit is also being invited in the meetings. Furthermore, the position of pending Action Taken Notes is also being brought to the notice of Secretary of the Ministry, to enable him to hold review meetings with administrative Joint Secretaries.

10. Ministry of Steel & Mines: Integrated Finance Division of the Ministry has been assigned responsibility of cordinating periodical reviews regarding submission of pending action Taken Notes. It convenes meetings at higher levels at regular intervals to speed up the submission of Action Taken Notes.

11. Ministry of Chemicals & Fertilizers (Department of Fertilizers): Pendency position of Audit paras is being regularly monitored by Finance Division of the Department and existing system is working satisfactorily.

12. Ministry of Civil Aviation: A Committee has been formed under the Chairmanship of Joint Secretary & Finance Adviser with all the Joint Secretaries of the Department and the nominee of Audit as member to ensure effective monitoring and finalisation of Action Taken Notes. The Secretary, Civil Aviation also reviews the progress of Action Taken Notes.

13. Ministry of Industry (Department of Heavy Industry): Audit Paras are being monitored in the Department at Secretary level to ensure timely submission of Action Taken Notes.

14. Department of Atomic Energy: The system of monthly review of the progress of pending paras already exist in the department.

15. Ministry of Industry: An *ad-hoc* Committee has been set up to expedite submission of Action Taken Notes under Chief Controller of Accounts which also includes a representative from Audit. The Committee

reviews the position of outstanding Action Taken Notes periodically and submits a report to higher authorities.

16. Ministry of Food: The submission of Action Taken Notes are being given due care and taken up on priority basis by all the Divisional Heads in the Ministry. The coordination of this item is kept under close surveillance by Budget & Finance Division under the overall supervision of Additional Secretary & Financial Adviser.

17. Department of Telecommunications: The pendency of Action Taken Notes is being reviewed on weekly basis by the Assistant Director General and on fortnightly basis by the Deputy Director General. The dealing officers are pursued for prompt submission of Action Taken Notes. The position is then again reviewed at the month end and the progress is reported to Member (Finance) who sorts out the bottlenecks to clear the Action Taken Notes. A quarterly review meeting is held at Members level of Telecom Commission.

18. Ministry of Coal: The procedure for submission of Action Taken Notes in the Ministry has been reviewed. It has since been decided to computerise the system of monitoring Action Taken Notes and hold periodic meetings (to begin with twice a month) to review the progress.

19. Ministry of Welfare: The Ministry attaches highest priority to the disposal of pending Action Taken Notes and the position is being reviewed in the Weekly/Fortnightly review meetings taken by each Bureau. Financial Adviser (Welfare) also takes up the matter with the Audit to expedite the vetting of Action Taken Notes. In addition, Additional Secretary (Welfare) is also taking periodic meetings with Bureau Heads to review the progress in submission of Action Taken Notes.

20. Ministry of Commerce (Department of Supply): To improve the existing system of finalisation of Action Taken Notes a departmental Committee has been constituted under Financial Adviser of the Department, which meets periodically to review the progress made in submission of Action Taken Notes. A representative of Audit is also invited in the above meetings, as a special invitee. As result there has been progress in settlement of Action Taken Notes.

21. Ministry of Surface Transport: In order to watch the progress of pending Action Taken Notes, the meetings are being taken on short intervals with Wing Heads who have been asked to take personal interest to clear the pendency. The position is also discussed in the meetings taken by Secretary (SFT) with the Wing Heads. Audit authorities are also pursued in respect of cases, where Action Taken Notes are held up with them.

22. Ministry of Environment & Forests: Secretary (Environment & Forests) is taking monthly meetings to monitor the progress regarding submission of Action Taken Notes.

23. Planning Commission: The steps taken by the Planning Commission for timely submission of Action Taken Notes are that as soon as the report is received from C&AG, the relevant paragraphs are sent to the concerned Sections for timely compliance. The Action Taken Notes received from the Sections are examined and sent to Audit for vetting. The matter is also vigorously followed up with the Audit for obtaining vetted replies/ comments.

24. Ministry of Home Affairs: The question of evolving effective machinery for ensuring timely submission of Action Taken Notes on the paras contained in C&AG's Reports has already been examined at length in the Ministry. It has been decided, with the approval of the Home Secretary that the Action Taken Notes on the paras are prepared without delay after furnishing proper input/background of the policies/ programmes, etc. of the Division concerned. In case of large pendencies and delay in finalisation of Action Taken Notes review meetings are taken by senior officers at the level of Special/Additional/Joint Secretary.

25. Ministry of Power: The Action Taken Notes on audit paras are closely monitored in the Ministry by the Budget & Accounts Section and the concerned Divisions are regularly reminded to expedite the Action Taken Notes and audit paras included in the Audit Reports.

26. Ministry of Commerce & Textiles: The Ministry has renewed its focus on this vital matter and issued instructions making each Head of Division personally responsible for ensuring timely submission of Action Taken Notes. The Chief Controller of Accounts has been designated as the nodal officer in regard to monitoring progress in the submission of Action Taken Notes. He is to undertake a montly review meeting and apprise the Additional Secretary & Financial Adviser about cases of abnormal delays. The Additional Secretary & Financial Advisor would hold meetings with concerned Joint Secretary and also bring these matters to the notice of Commerce Secretary in his periodic meetings held with senior officers.

27. Ministry of Communications (Department of Post): The points notified in the C&AG Reports need to be examined in detail to find out the lacunae existing in the system/procedure of the Department. The Department has already geared up the system for ensuring timely submission of Action Taken Notes. Pursuance/monitoring of replies are done by senior officers of the Department to ensure correctness and promptness of the replies.

28. Ministry of Defence: The Finance Division has taken special steps to watch the progress on the furnishing of Action Taken Notes by the various Divisions of the Ministry. It has been decided by Defence Secretary that pending Action Taken Notes should be reviewed on a fortnightly basis. A number of meetings have been convened to expedite finalisation of Action Taken Notes by various Divisions of the Ministry.

29. Ministry of External Affairs: Audit paras receive utmost priority in the Ministry. The Internal Finance Division holds regular meetings with the officers/units concerned to ensure timely submission of Action Taken Notes.

Recommendation

The Committee note that even though the Monitoring Cell in the Department of Expenditure (Ministry of Finance) was entrusted with the task of co-ordination and collection of the remedial/corrective Action Taken Notes from Ministries concerned on the paragraphs contained in different Audit Reports way back in 1982, that Cell has not devised any procedure to ensure timely submission of relevant Action Taken Notes to the Committee even in those cases where such notes are awaited for over 5 years or so. The Ministry of Finance stated that the Monitoring Cell had confined their role only to maintaining records separately for each Ministry and sending a written reminder whenever a Ministry defaulted or delayed replies to the Committee. To their utter dismay, the Committee during the course of their examination, however, found that even the manner in which pendency data maintained was grossly inadequate. As pointed out earlier, the Ministry of Finance are yet to furnish a consolidated data indicating the pendency position of submission of corrective/remedial Action Taken Notes relating to all the Ministries/Departments of Government of India. During evidence, the Committee were informed by none other than Secretary (Expenditure) that the Monitoring Cell functions more like a 'conduit'. He also maintained that in the existing system the Secretary of the Ministry concerned is responsible for furnishing Action Taken Notes and the role assigned to the Department of Expenditure to monitor could be "only a role of watching the things". While agreeing with the assertions made by the Secretary (Expenditure) that the discharge of primary responsibility of furnishing Action Taken Notes is that of the Secretary of the Ministry concerned, the Committee are unable to comprehend as to how the Ministry of Finance (Department of Expenditure) acting as the nodal agency failed to discharge the functions assigned to them for co-ordination and collection of remedial/corrective Action Taken Notes and allowed themselves to be reduced to a mere Post Office transmitting the Action Taken Notes received in the Monitoring Cell to the Committee. The Committee are in no doubt that unless Ministry of Finance (Department of Expenditure) devise an adequate machinery in the Monitoring Cell to ensure timely submission of the Action Taken Notes, the results of audit of Government's financial transactions would be largely in vain and the enforcement of accountability of the Executive in respect of all the issues dealt with in Audit Reports would remain a distant goal. The Committee would, therefore, like the

Department of Expenditure to take urgent steps to revamp the system in the Monitoring Cell so that this Cell could play an effective and purposeful role atleast in the future.

[Sl. No. 3—Appendix IV—Para 47 of 105th Report of P.A.C. (10th Lok Sabha)]

Action Taken by the Government

In pursuance of the directions of Public Accounts Committee, the 'Monitoring Cell' in the Department of Expenditure (Ministry of Finance) has been revamped and is no longer functioning as a mere 'Post Office'. It has started actively pursuing pending Action Taken Notes with Administrative Secretaries of the different Departments/Ministries at the highest level. In this connection, following D.O. letters (copies enclosed) have been issued.

(i) D.O. letter dated 20.9.95 from Secretary (Expenditure) to Administrative Secretaries,

(ii) D.O. letter dated 22.9.95 from Controller General of Accounts to Administrative Secretaries,

(iii) D.O. letter dated 18.10.95 from Joint Controller General of Accounts to all financial Advisers of different Deptts./Ministries,

(iv) D.O. letter dated 25.10.95 from Controller General of Accounts to Administrative Secretaries,

(v) D.O. letter dated 25.10.95 from Joint Controller General of Accounts to Chairman, Central Board of Excise And Custom/ Central Board of Direct Taxes,

(vi) D.O. letter dated 1.12.95 from Secretary (Expenditure) to Administrative Secretaries,

(vii) D.O. letter dated 11.1.96 from Controller General of Accounts to Administrative Secretaries,

(viii) D.O. letter dated 7.2.96 from Controller General of Accounts to concerned Administrative Secretaries/Heads of Departments, and

(ix) D.O. letter dated 7.2.96 from Addl. Controller General of Accounts to concerned Financial Advisers.

As a result of the efforts made by 'Monitoring Cell', there has been considerable improvement in reducing the pendency of Action Taken Notes, which has gone down from 1533 at the time of receipt of PAC's 105th Report to 756 (*i.e* a reduction of over 50%). It is expected that the

position would further improve after several Action Taken Notes submitted to Audit by different Ministries are received back duly vetted, and are transmitted to Lok Sabha Secretariat.

This has been vetted by Audit *vide* their U.O. No. RR/1-33/95-96/15 dated 4.4.1996.

[Ministry of Finance (Expenditure) OM No. 1/105/95-MC dated 4.4.1996]

Updated Action Taken Note furnished by the Ministry

In pursuance of the directions of Public Accounts Committee, the 'Monitoring Cell' in the Department of Expenditure (Ministry of Finance) has been revamped and is no longer functioning as a mere 'Post Office'. It has started actively pursuing pending Action Taken Notes with Administrative Secretaries of the different Departments/Ministries at the highest level. In this connection, following d.o. letters, (copies enclosed) have been issued:

(i) D.O. letter dated 20.9.95 from Secretary (Expenditure) to Administrative Secretaries,

(ii) D.O. letter dated 22.9.95 from Controller General of Accounts to Administrative Secretaries,

(iii) D.O. letter dated 18.10.95 from Joint Controller General of Accounts to all Financial Advisers of different Deptts./Ministries,

(iv) D.O. letter dated 25.10.95 from Controller General of Accounts to Administrative Secretaries, and

(v) D.O. letter dated 25.10.95 from Joint Controller General of Accounts to Chairman, Central Board of Excise And Custom/ Central Board of Direct Taxes,

(vi) D.O. letter dated 1.12.95 from Secretary (Expenditure) to Administrative Secretaries,

(vii) D.O. letter dated 11.1.96 from Controller General of Accounts to Administrative Secretaries,

(viii) D.O. letter dated 7.2.96 from Controller General of Accounts to concerned Administrative Secretaries/Heads of Departments,

(ix) D.O. letter dated 7.2.96 from Addl. Controller General of Accounts to concerned Financial Advisers,

(x) D.O. letter dated 14.3.96 from Addl. CGA to concerned Financial Advisers,

(xi) U.O. letter dated 29.3.96 from Addl. Controller General of Accounts to Chairman, CBEC,

(xii) U.O. letter dated 29.3.96 from Addl. Controller General of Accounts to Chairman, CBDT.

(xiii) U.O. letter dated 29.3.96 from Addl. Controller General of Accounts to Member (Budget), CBEC and Member (CX), CBEC

(xiv) D.O. letter dated 29.3.96 from Controller General of Accounts to Administrative Secretaries,

(xv) D.O. letter dated 12.4.96 from Addl. Controller General of Account to FA, Deptt. of Revenue (CBDT-CBEC),

(xvi) D.O. letter dated 8.5.96 from Addl. Controller General of Accounts to Financial Advisors,

(xvii) D.O. letter dated 14.5.96 from Addl. Controller General of Accounts to Financial Advisors,

(xviii) D.O. letter dated 20.5.96 from Addl. Controller General of Accounts to Member (R&A) CBDT and Member (Budget), CBEC

(xix) D.O. letter dated 28.5.96 from Addl. Controller General of Accounts to F.A. (Education),

(xx) D.O. letter dated 4.6.96 from Addl. Controller General of Accounts to Financial Advisors,

(xxi) D.O. letter dated 4.10.96 from Controller General of Accounts to Administrative Secretaries,

(xxii) D.O. letter dated 21.11.96 from Controller General of Accounts to Financial Advisors,

(xxiii) D.O. letter dated 3.2.97 from Addl. Controller General of Accounts to Administrative Secretaries.

As a result of the efforts made by 'Monitoring Cell' there has been considerable improvement in reducing the pendency of Action Taken Notes, which has gone down from 1533 at the time of receipt of PAC's 105th Report to 352 (*i.e.* a reduction of over 77%). It is expected that the position would further improve after several Action Taken Notes submitted to Audit by different Ministries are received back duly vetted, and are transmitted to Lok Sabha Secretariat.

This was vetted by Audit *vide* their U.O. No. RR/1—33/95-96/15 dated 4.4.1996.

[Ministry of Finance (Expenditure) OM No. 1/105/95-MC dated 11.03.97]

SECRETARY

DEPARTMENT OF EXPENDITURE
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
NORTH BLOCK, NEW DELHI
D.O.No. 4(4)/95-MC

20 September, 1995

Dear Secretary,

SUB.: *105th Report of the PAC on Para 11.3 of the Report of the C&AG of India for the year ended 31st March 1994, No. 1 of 1995 Union Government (Civil) relating to Follow up on Audit Reports.*

Please refer to then Secy. (E)'s D.O. letter of even No. dated 22nd June, 1995 regarding the submission of Action Taken Notes on the Reports of the C&AG for the year 1994 (Audit Report Nos. 1, 2 & 10 of 1995) to the Public Accounts Committee.

2. The Public Accounts Committee in its 105th Report (10th Lok Sabha) presented on 17th August, 1995 have directed that conclusive remedial/corrective Action Taken Notes, duly vetted by Audit, on all the outstanding Audit paras included in the Audit Reports upto the period ended 31st March 1993 are furnished by the Ministries/Departments concerned and made available to the Public Accounts Committee within 3 months from the date of presentation of the Report i.e. by 16.11.95

3. In order to comply with the directives of the PAC, it is imperative that the ATNs duly vetted by Audit, be sent to the Monitoring Cell in the office of the Controller General of Accounts (US Monitoring Cell, Room No. 29, 2nd Floor, 'B' Wing, Lok Nayak Bhawan—Tele. 4626829) latest by 16th October, 1995 so that they could be sent to the Lok Sabha Secretariat by the due date.

Best Wishes,

Yours sincerely,

-Sd-

(N.K. SINGH)

D.O. No. 4/4/95 एम सी

जी॰ सी॰ अय्यर
महालेखा-नियंत्रक
Controller General
of Accounts

भारत सरकार
Government of India
वित्त मंत्रालय
MINISTRY OF FINANCE
व्यय विभाग
DEPARTMENT OF EXPENDITURE
7वां तल, लोकनायक भवन, खान मार्किट, नई दिल्ली-110003
7th Floor, Lok Nayak Bhawan, Khan Market, New Delhi-110003

दिनांक: 22 सितम्बर, 1995
Dated

प्रिय,

विषय: "लेखा परीक्षा प्रतिवेदनों पर अनुवर्ती कार्यवाही" से समापन 31 मार्च, 1994 (1995 की संख्या 1) संघ सरकार (सिविल) को समाप्त हुए वर्ष के लिए भारत के नियंत्रक महालेखा परीक्षक के प्रतिवेदन के पैरा 11.3 पर लोक लेखा समिति का 105वां प्रतिवेदन।

कृपया वर्ष 1994 के लिए नियंत्रक महालेखा परीक्षक के प्रतिवेदनों पर "की गई कार्यवाही संबंधी टिप्पणियां" (1995 के लेखा परीक्षा प्रतिवेदन संख्या 1,2,4 से 10) को लोक लेखा समिति को प्रस्तुत करने के संबंध में सचिव (व्यय) के दिनांक 20 सितम्बर, 1995 के समसंख्यक अ॰शा॰ पत्र का अवलोकन करें।

2. मेरे कार्यालय ने लोक लेखा समिति (10वीं लोक सभा) के 105वें प्रतिवेदन के ऐसे संगत उद्धरण जिन पर मंत्रालयों / विभागों द्वारा कार्यवाही की जानी अपेक्षित है, को इस विभाग के दिनांक 6.9.95 के कार्यालय ज्ञापन सं॰1 / 105 / 95-एम॰सी॰ (भाग) द्वारा सभी वित्तीय सलाहकारों को पहले ही भेज दिया है। मैं आपका ध्यान प्रतिवेदन के पैरा 46, 48 से 50 (अपेक्षित उद्धरण संलग्न हैं) की ओर आकृष्ट करना चाहता हूं, जिसमें समिति ने विभिन्न मंत्रालयों / विभागों को लेखा परीक्षा पैराओं को अन्तिम रूप दिए जाने तथा अनुशासन कक्ष / लोक सभा सचिवालय को "की गई कार्यवाही संबंधी टिप्पणियां" प्रस्तुत करने की वर्तमान व्यवस्था के बारे में अपना असन्तोष व्यक्त किया है।

लोक लेखा समिति के निदेशों का अनुपालन करने के लिए मैं आपसे अनुरोध करता हूं कि आप लेखा परीक्षा पैरा को समय पर अन्तिम रूप दिए जाने के लिए एक व्यापक प्रक्रिया विकसित करें और मुझे इसकी सूचना शीघ्र दें ताकि लोक लेखा समिति को अनुपालन संबंधी रिपोर्ट भेज दी जाए।

सादर।

भवदीय
ह॰ /
(जी॰सी॰ अय्यर)

A.M. SEHGAL
Jt. Controller General
of Accounts

MOST IMMEDIATE

PAC MATTER

D.O. No. 4(4)/95-MC/

MINISTRY OF FINANCE
DEPARTMENT OF
EXPENDITURE
CONTROLLER GENERAL OF
ACCOUNTS
Lok Nayak Bhavan (7th floor)
Khan Market, New Delhi 110003

18th October, 1995

Dear Shri

Kindly refer to Shri N.K. Singh, Secetary (Expenditure)'s D.O. letter of even number dated 20th September, 1995 (copy enclosed for ready reference) regarding the furnishing of Action Taken Notes in respect of pending audit paras included in the Reports of Comptroller and Auditor General of India for the period ending 31 March, 1993. It may be recalled that in order to comply with the directives of P.A.C., it was desired that remedial/corrective Action Taken Notes, duly vetted by Audit, must reach Monitoring Cell of the Ministry of Finance (Room No. 29, II floor, 'B' Wing, Lok Nayak Bhavan) by **16th Oct. 1995.** It is, however, regretted that the Action Taken Notes in respect of the following Reports of C.A.G. are still awaited.

As per list attached.

May, I, therefore, request you to personally look into the matter and ensure that the Action Taken Notes (duly vetted by Audit) are furnished without fail to the Monitoring Cell of the Ministry of Finance by **27th October, 1995** at the latest.

All F&S (47)

Yours sincerely,

Sd-

(A.M. SEHGAL)

G.C. IYER
Controller General
of Accounts

D.O.No. 4(4)/95-MC
GOVERNMENT OF INDIA
CONTROLLER GENERAL OF ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

7th Floor, Lok Nayak Bhawan, Khan Market, New Delhi-110003
Dated the 25th Oct. 1995

Dear Shri Banerji,

Please refer to my earlier d.o. letter of even No. dated 22nd September, 1995 regarding the submission of Action Taken Notes (ATNs) in receipt of reports of C. & A. G. for the period ending 31st March, 1993.

The Public Accounts Committee in its 105th Report (10th Lok Sabha) have directed that remedial/corrective Action Taken Notes, in respect of all outstanding Audit paras included in C.A.G's report for the period ending 31 March, 1993 **must reach Lok Sabha Sectt. by 16.11.95.** Accordingly Shri N.K. Singh, Secretary (Expdr.), desired vide his d.o. of even number dated 20th Sept. 1995 that ATNs (duly vetted by audit) must reach the Monitoring Cell of my office by **16th Oct. 1995.** However, it transpires, that ATNs in respect of paras are still awaited from CBDT. As last date for submission of ATNs to the Lok Sabha Sectt. is fast approaching, I shall be grateful for your personal intervention. Needless to say, unless a high level officer is specifically assigned the task of monitoring ATNs, it may not be possible to adhere to the time schedule fixed by P.A.C.

The P.A.C. has already criticized Govt. for not taking adequate action to ensure the ATNs, (duly vetted by Audit) are submitted within a period of 3 months. They have desired that all Ministries/Departments should tone up their administration and evolve an effective machinery with a view to ensuring timely submission of ATNs to Lok Sabha Sectt.

With regards,

Your sincerely,

-Sd-

(G.C. IYER)

All concerned (44 D.O. letter)
Shri N.R. Banerji
Secretary
Department of Chemical and Petro-Chemicals
Shastri Bhawan
New Delhi.

A.M. SEHGAL

Joint Controller General
of Accounts

D.O.No. 4(4)/95-MC
GOVERNMENT OF INDIA
CONTROLLER GENERAL OF
ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
7th Floor Lok Nayak Bhawan, Khan Market, New Delhi-110003

Dated the 25th Oct. 1995

Dear

Please refer to my earlier D.O. letter of even No. dated 22nd September, 95 regarding the submission of Action Taken Notes (ATN's) in receipt of report of C. & A. G. for the period ending 31st March, 1993.

The Public Accounts Committee in its 105th Report (10th Lok Sabha) have directed that remedial/corrective Action Taken Notes, in respect of all outstanding Audit paras included in C.A.G's report for the period ending 31 March, 93 **must reach Lok Sabha Sectt. by 16.11.95.** Accordingly Shri N.K. Singh, Secretary (Expdr.), desired by *vide* his D.O. of even number dated 20th Sept. 95 that ATNs (duly vetted by audit) must reach the Monitoring Cell of my office by **16th Oct. 95.** However, it transpires, that ATNs in respect of 359 paras are still awaited from your Ministry. As last date for submission of ATNs to the Lok Sabha Sectt. is fast approaching, I shall be grateful for your personal intervention. Needless to say, unless a high level officer is specifically assigned the task of monitoring ATNs, it may not be possible to adhere to the time schedule fixed by P.A.C.

The P.A.C. has already criticized Govt. for not taking adequate action to ensure that ATNs, (duly vetted by Audit) are submitted within a period of 3 months. They have desired that all Minsitries/Departments should tone up their administration and evolve an effective machinery with a view to ensuring timely submission of ATNs to Lok Sabha Sectt.

Your sincerely,

Sd-

(A.M SEHGAL)

Shri Tarun Roy/N. Rangachary
Chairman,
Central Board of Excise & Customs/Central Bd. of Direct Taxes
North Block, New Delhi.

N.K. SINGH
Secretary (E)

MOST IMMEDIATE

PAC MATTER
D.O. No. 4(4)/95-MC
Dt. 1.12.1995

Dear

Please refer to my D.O. letter of even number dated 20th Sept. 1995 followed by a subsequent reminder from Shri G.C. Iyer, Controller General of Accounts *vide* his d.o. letter dated 25th Oct., 1995.

It may be recalled that the Public Accounts Committee in its 105th Report (10th Lok Sabha) had directed that remedial/corrective Action Taken Notes in respect of all outstanding Audit Paras included in C&AG's Report for the period ending 31st March, 1993, must reach the Lok Sabha Secretariat by **16th November, 1995.** However, it is understood that a large number of ATNs are still awaited from your Ministry. It is, therefore, requested that immediate steps may be taken to ensure that Action Taken Notes are furnished to the Monitoring Cell of Ministry of Finance without further delay, for their onward transmission to Lok Sabha Secretariat.

Yours sincerely,

Sd-
(N.K. SINGH)

Name
Designation
Ministry/Department
Address
City

(List of concerned Secretaries enclosed)

G.C. IYER
Controller General
of Accounts

D.O.No. 4(4)/95-MC
GOVT. OF INDIA
CONTROLLER GENERAL OF
ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

7th Floor Lok Nayak Bhavan,
Khan Market, New Delhi 110003
Dated the January 11, 1996

Dear

Please refer to, Secretary (Expenditure) Shri N.K. Singh's D.O. letter of even number dated 1st Dec. 1995 regarding furnishing of Action Taken Notes (ATNs) in respect of report of the Comptroller & Auditor General for the period ending 31st March, 1993.

The last date for submission of ATNs by the concerned Ministries was 16th November, 1995. As several Ministries/Departments were finding it difficult to adhere to the stipulated date, we had sought extension of time by a period of 3 months from the Lok Sabha Sectt. However, our request for extension of time has not been granted so far. It is therefore, essential that all steps are taken to ensure that the pending ATNs of your Ministry/Department (list enclosed for ready reference) are furnished to the Monitoring Cell of this Office for onward transmission to the Lok Sabha Sectt. without further loss of time.

With kind regards.

Yours sincerely,

As per list.

Sd-

(G.C. IYER)

431/LS F-6A

G.C. IYER

DO. No. 4/4/95/MC
भारत सरकार
महालेखा नियंत्रण
वित्त मंत्रालय
व्यय विभाग
लोकनायक भवन, नई दिली-110003
GOVERNMENT OF INDIA
CONTROLLER GENERAL OF
ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
Lok Nayak Bhawan,
New Delhi-110 003
Tele: 4617758 Fax: 4622305,
4690186

February 7, 1996

Dear

Please recall Secretary (Expenditure's) D.O. letter of even number dated 20th September, 1995 followed by my reminder dated 11th January, 1996 regarding furnishing of Action Taken Notes (ATNs) in respect of the report of the Comptroller & Auditor General of India for the period ending 31st March, 1993.

As you are aware, the last date for submission of ATNs by the concerned Departments/Ministries was 16 Nov. 1995. As several Departments/Ministries were finding it difficult to adhere to the stipulated date of submitting ATNs by 16th Nov. 1995, we had sought extension from the Lok Sabha Secretariat. However, our request for extension of time has not been granted so far. On reviewing the pendency position, I find that ATNs in respect of paras (list enclosed) are still outstanding from your Ministry. I would, therefore, request that immediate action is taken to ensure that ATNs duly vetted by Audit, are submitted to Monitoring Cell of my office for onward transmission to Lok Sabha Secretariat. Kindly treat this 'most immediate'.

Yours sincerely,
Sd

(G.C.IYER)

A.M. SEHGAL
Addl. Controller
General of A/Cs
Phone No. 4621570

DO No. 4/4/95-MC
GOVT. OF INDIA
CONTROLLER GENERAL
OF ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
7th Floor, Lok Nayak Bhawan,
Khan Market,
New Delhi-110003

Dated the February 7, 1996

Dear

Please refer to Shri N.K. Singh, Secretary (Expenditure's) D.O. letter of even number dated 1st December, 1995 and subsequent reminder from Shri G.C. Iyer, Controller General of Accounts dated 11th Jan., 1996 regarding the furnishing of Action Taken Notes (ATNs) in respect of the reports of the Comptroller & Auditor General of India for the period ending 31st March, 1993.

The last date for submission of ATNs by the concerned Ministries was 16th Nov., 1995. As several Departments/Ministries were finding it difficult to adhere to the stipulated date of submitting ATNs by 16 Nov. 1995, as their ATNs had been submitted to Audit for vetting, we had sought extension of time by 3 months from the Lok Sabha Secretariat. However, our request for the extension of time has not been grnated so far. It is, therefore, essential that immediate steps are taken to ensure that the pending ATNs from Departments/Ministries (list enclosed for ready reference) are furnished without further delay, to the Monitoring Cell of this office for onward transmission to the Lok Sabha Sectt.

With regards,

Yours sincerely,
Sd

(A.M. SEHGAL)

BY SPECIAL MESSENGER

MOST URGENT

PAC MATTER

A.M. SEHGAL
Addl. Controller
General of
Accounts
Tel. No. 4621570

DO No. 4/4/95-MC
GOVT. OF INDIA
CONTROLLER GENERAL
OF ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
Lok Nayak Bhavan, Khan Market,
New Delhi-3

March 14, 1996

Dear

The Public Accounts Committee (10th Lok Sabha) in its 105th Report observed as under:

> "The Committee desire that all Ministries/Departments should tone-up their administration and evolve effective machinery with a view to ensuring timely submission of the remedial/corrective Action Taken Notes to the Committee. They would like the Department of Expenditure to furnish a consolidated position indicating the concrete steps taken by the various Ministries/Departments in this regard."

The above observations of the Committee were conveyed to administrative Ministries/Departments vide this office O.M. No. 1/105- 95-MC dated 7th March, 1996, and it was requested that the requisite information may be furnished by 29th March, 1996. In the meantime, we have received a letter from Lok Sabha Secretariat desiring us to submit the above information without further loss of time. I shall, therefore, be grateful if the requisite information is furnished to the 'Monitoring Cell' by **18th March, 1996.**

Yours sincerely,
Sd-
(A.M. SEHGAL)

Addressed to all F.A.s

Copy forwarded to Shri/Smt. ———————————
CCA/CA/Dy. CA Ministry of ———————————
With a request to ensure furnising of the required information by 18th March 1996.

Sd-
(P. SUDHIR KUMAR)
Dy. CGA

GOVT. OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
Office of Controller General of Accounts
Lok Nayak Bhavan (7th floor)
NEW DELHI

SUBJECT: *Follow up action on the recommendations of 105th report of the Public Accounts Committee—submission of Action Taken Notes.*

The Public Accounts Committee (10th Lok Sabha) in its 105th Report presented to Parliament on 17th August, 1995 expressed its deep concern and anguish about the huge pendency/inordinate delays in submission of Action Taken Notes (ATNs) on various paras included in C&AG's Reports of different Departments/Ministries. The Committee considered it most unfortunate that the Civil Ministries failed to furnish the remedial/corrective ATNs to the Committee on a large number of paragraphs even six to seven years after the relevant Audit Reports had been presented to Parliament. The Committee directed that all Departments/Ministries should tone up their administration and evolve an effective machinery to ensure timely submission of remedial/corrective ATNs.

The Committee further directed that ATNs in respect of various paras included in C&AG's report for the period ending 31st March 1993, should be submitted within 3 months from the receipt of report (i.e. 16th Nov. 1995). Subsequently, as some of the Departments/Ministries were finding it extremely difficult to adhere to the stipulated time schedule, the Committee has extended the date of submission of ATNs to **16th May 1996** at the latest.

The upto date position of ATNs in respect of C.B.E.C. is as under:

Year	Paras Pending at the Time of Receipt of 105th PAC Report	ATNs Received Upto 26.3.96	ATNs Pending
1	2	3	4
1986-87	7	—	7
1987-88	20	—	20
1988-89	25	2	23
1989-90	51	23	28
1990-91	82	6	76

1	2	3	4
1991-92	51	3	48
1992-93	32	9	23
Total:	268	43	225

*Details of the above mentioned ATNs are enclosed.

It is requested that immediate steps may be taken to hold periodic review meeting at Board level with concerned officials, so that action on remaining paras of C&AG,s Reports could be completed without further delay.

Sd-
(A.M. SEHGAL)
Addl. C.G.A.&Pr.C.C.A. (C.B.E.C.)

CHAIRMAN (C.B.E.C.)

CGA's UO No. 4/4/95-MC dated 29.3.96

MOST IMMEDIATE

PAC MATTER

Govt. of India
Ministry of Finance
Department of Expenditure
Office of Controller General of Accounts

Lok Nayak Bhavan (7th floor)
NEW DELHI

SUBJECT: *Follow up action on the recommendations of 105th report of the Public Accounts Committee—submission of Action Taken Notes.*

The Public Accounts Committee (10th Lok Sabha) in its 105th Report presented to Parliament on 17th August, 1995 expressed its deep concern and anguish about the huge pendency/inordinate delays in submission of Action Taken Notes (ATNs) on various paras included in C&AG's Reports of different Departments/Ministries. The Committee considered it most unfortunate that the Civil Ministries failed to furnish the remedial/corrective ATNs to the Committee on a large number of paragraphs even six to seven years after the relevant Audit Reports had been presented to Parliament. The Committee directed that all Departments/Ministries should tone up their administration and evolve an effective machinery to ensure timely submission of remedial/corrective ATNs.

The Committee further directed that ATNs in respect of various paras included in C&AG's report for the period ending 31st March 1993, should be submitted within 3 months from the receipt of report (i.e. 16th Nov. 1995). Subsequently, as some of the Departments/Ministries were finding it extremely difficult to adhere to the stipulated time schedule, the Committee has extended the date of submission of ATNs to **16th May 1996** at the latest.

The upto date position of ATNs in respect of C.B.D.T. is as under:

Year	Paras Pending at the Time of Receipt of 105th PAC Report	ATNs Received Upto 26.3.96	ATNs Pending
1	2	3	4
1988-89	26	26	—
1989-90	162	162	—
1990-91	153	121	32

1	2	3	4
1991-92	82	54	28
1992-93	38	10	28
Total:	461	373	88

*Details of the above mentioned ATNs are enclosed.

It is requested that immediate steps may be taken to hold periodic review meeting at Board level with concerned officials, so that action on remaining paras of C&AG's Reports could be completed without further delay.

Sd-
(A.M. SEHGAL)
Addl. C.G.A.

CHAIRMAN (C.B.D.T.)

Our UO No. 4/4/95-MC dated 29th March, 1996

MOST IMMEDIATE

P.A.C. MATTERS

GOVT. OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
Office of Controller General of Accounts

Lok Nayak Bhavan (7th floor)
NEW DELHI

SUBJECT: *Follow up action on the recommendations of 105th report of the Public Accounts Committee—submission of Action Taken Notes.*

The Public Accounts Committee (10th Lok Sabha) in its 105th Report presented to Parliament on 17th August, 1995 expressed its deep concern and anguish about the huge pendency/inordinate delays in submission of Action Taken Notes (ATNs) on various paras included in C&AG's Reports of different Departments/Ministries. The Committee considered it most unfortunate that the Civil Ministries failed to furnish the remedial/ corrective ATNs to the Committee on a large number of paragraphs even six to seven years after the relevant Audit Reports had been presented to Parliament. The Committee directed that all Departments/Ministries should tone up their administration and evolve an effective machinery to ensure timely submission of remedial/corrective ATNs.

The Committee further directed that ATNs in respect of various paras included in C&AG's report for the period ending 31st March 1993, should be submitted within 3 months from the receipt of report (i.e. 16th Nov. 1995). Subsequently, as some of the Departments/Ministries were finding it extremely difficult to adhere to the stipulated time schedule, the Committee has extended the date of submission o ATNs to **16th May 1996** at the latest.

The upto date position of ATNs in respect of C.B.E.C. is as under:

Year	Paras Pending at the time of receipt of 105th PAC Report	ATNs Received upto 26.3.96	ATNs Pending
1986-87	7	—	7
1987-88	20	—	20
1988-89	25	2	23
1989-90	51	23	28
1990-91	82	6	76
1991-92	51	3	48
1992-93	32	9	23
Total	268	43	225

*Details of the above mentioned ATNs are enclosed.

It is requested that immediate steps may be taken to hold periodic review meeting at Board level with concerned officials, so that action on remaining paras of C&AG's Reports could be completed without further delay.

—Sd—
(A.M. SEHGAL)
Addl. C.G.A & Pr. C.C.A. (C.B.E.C.)

CHAIRMAN (C.B.E.C.)

1. Sh. B.C. Rastogi, Member (Budget), CBEC, Room No. 156-E NB, New Delhi.

2. Sh. S.D. Mohile, Member (CX), CBEC, Room No. 156-D, NB, New Delhi.

U.O. No. 4/4/95-MC Dated: 29.3.96.

MOST IMMEDIATE

PAC MATTER

MIRA SAXENA
Controller General of Accounts
Tel. No. 4617758

D.O. No. 4/4/95-MC
GOVT. OF INDIA
CONTROLLER GENERAL OF ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
Lok Nayak Bhavan,
Khan Market, New Delhi-110003

March 29, 1996

Dear,

Please refer to Shri N.K. Singh, Secretary (Expenditure)'s D.O. letter of even number dated 20th Sept., 1995 followed by following reminders:

(i) d.o. letter dated 22.9.95 from Controller General of Accounts to administrative Secretaries,

(ii) do.o. letter dated 25.10.95 from Controller General of Accounts to administrative Secretaries, and

(iii) d.o letter dated 1.12.95 from Secretary (Expdr.) to administrative Secretaries,

(iv) d.o. letter dt. 11.1.96 from Controller General of Accounts to administrative Secretaries,

(v) d.o. letter dt. 7.2.96 from Controller General of Accounts to concerned administrative Secretaries/Heads of Deptts.

regarding the furnishing of Action Taken Notes in respect of reports of the C&AG for the period ending 31st march, 1993.

As several Departments/Ministries were finding it difficult to adhere to the stipulated time schedule, the P.A.C. has permitted submission of ATNs by **16th May, 1996** at the latest. In this connection, I am enclosing a list of paras, where ATNs from your Department/Ministry are still awaited. I shall be grateful if immediate action is taken to review the position of pending ATNs at your level to ensure that all ATNs are submitted after vetting by Audit to the 'Monitoring Cell' of my Department, for onward transmission to Lok Sabha Secretariat without further delay.

Yours sincerely,
Sd-
(MIRA SAXENA)

A.M. SEHGAL
Addl. Controller
General of Accounts
Tel. No. 4621570

PAC MATTER
D.O. No. 4/4/95-MC
GOVT. OF INDIA
CONTROLLER GENERAL OF ACCOUNTS
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
Lok Nayak Bhavan,
Khan Market, New Delhi-110003
April 12, 1996

My Dear Aruna,

Kindly refer to your D.O. letter No. F.2/2/95-IFA dated 20th March, 1996 in reply to my d.o. letter of even No. dated 14.3.1996 regarding details of the various steps/measures taken for furnishing Action Taken Notes within the stipulated time period.

In this connection, the position of pending Action Taken Notes relating to CBEC, CBDT and Dept. of Economic Affairs, is as under:

C.B.E.C.

Year	Paras Pending at the time of receipt of 105th PAC Report	ATNs Received upto 26.3.96	ATNs Pending
1986-87	7	—	7
1987-88	20	—	20
1988-89	25	2	23
1989-90	51	23	28
1990-91	82	6	76
1991-92	51	3	48
1992-93	32	9	23
Total	268	43	225

C.B.D.T.

Year	Paras Pending at the time of receipt of 105th PAC Report	ATNs Received upto 26.3.96	ATNs Pending
1988-89	26	26	—
1989-90	162	162	—
1990-91	153	121	32
1991-92	82	54	28
1992-93	38	10	28
Total	461	373	88

PARAS PENDING WITH THE DEPTT. OF ECONOMIC AFFAIRS

Report No. 1 of 1992 (year 1990-91)	No. of Paras 4 paras
Report No. 1 of 1994 (year 1992-93)	2 paras

It is requested that immediate steps may be taken to finalize all pending ATNs at the earliest, so that these are submitted to Lok Sabha Sectt. well before **16 May 1996.**

With best wishes,

Yours sincerely,

—Sd—

(A.M. SEHGAL)

Smt. Aruna Makhan,
Financial Adviser,
Ministry of Finance,
Department of Revenue,
North Block,
NEW DELHI

A.M. SEHGAL
Addl. Controller
General OF ACCOUNTS
Tel. No. 4621570

PAC MATTER
D.O. No. 4/4/95-MC
GOVT. OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
O/o CONTROLLER GENERAL OF ACCOUNTS
7th Floor, Lok Nayak Bhavan,
Khan Market, New Delhi-110003

May 8, 1996

Dear

Kindly refer to the correspondence resting with Ms. Mira Saxena, Controller General of Accounts' D.O. letter of even number dated 29th March, 1996 regarding furnishing of Action Taken Notes (ATNs) in respect of reports of C&AG for period ending 31st March, 1993.

As you are aware, the Public Accounts Committee had agreed to extend last date for submission of ATN (duly vetted by Audit) to 16th May, 1996, after taking into account the difficulties being experienced by various Departments/Ministries. However, as-per records of the 'Monitoring Cell', —ATNs (list enclosed) are still awaited from your Department/Ministry.

As the last date for submission of ATNs is fast approaching, all possible steps may be taken to ensure that the time schedule fixed by Public Accounts Committee is strictly adhered to.

Yours sincerely,
Sd/-
(A.M. SEHGAL)

MOST IMMEDIATE
PAC MATTERS

A.M. SEHGAL
Addl. Controller
General
of Accounts
Tel. No. 4621570

D.O. No. 4/4/95-MC
GOVT. OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
O/o CONTROLLER GENERAL OF ACCOUNTS
7th floor, Lok Nayak Bhavan,
New Delhi-110003

May 14, 1996

Dear

Kindly refer to my D.O. letter of even number dated 8th May, 1996 regarding furnishing of Action Taken Notes (ATNs) in respect of reports of the C&AG for the period ending 31st March, 1993.

As you are aware, the Public Accounts Committee (10th Lok Sabha) in its 105th report had directed that Action Taken Notes (ATNs) in respect of all reports of C&AG for the period ending 31st March, 1993 must reach Lok Sabha Secretariat (duly vetted by audit) by **16th May, 1996** at the latest. Despite repeated reminders, your Department/Ministry has not been able to ensure that the deadline of 16th May, 1996 is adhered to. It is, therefore, proposed to review the position in a meeting to be held on 23rd May at 11.00 A.M. in Conference Room, 7th floor, 'C' Wing, Lok Nayak Bhavan, Khan Market, New Delhi. It is requested that you may depute a senior official, who is fully conversent with the subject matter to participate in the above meeting.

Yours sincerely,
Sd/-
(A.M. SEHGAL)

1. Shri Girish Bhandari, FA, UD
2. Smt. Aruna Makhan, FA, CBDT/CBEC
3. Shri G. C. Iyer, Member (Finance), Deptt. of Telcom.
4. Shri G.S. Rajamani, FA, Deptt. of Posts.
5. Shri S.N. Kakkar, F.A., Surface Transport
6. Smt. A.P. Ahluwalia, FA, Health
7. Shri P. Ray, FA, Home
8. Shri S. Sathyamoorthy, FA, Cul. & FA, Education
9. Shri P. Shankar, FA, MEA

D.O.No.4/4/95-MC

Addl. C.G.A

20th May, 1996

Dear Shri

Kindly refer to the correspondence resting with Monitoring Cell's u.o. of even number dated 29th March, 1996 (copy enclosed for ready reference) regarding furnishing of Action Taken Notes in respect of Reports of the C&AG for the period ending 31.3.93.

2. As your are aware, the Public Accounts Committee (10th Lok Sabha) in its 105th report had directed that Action Taken Notes (ATNs) in respect of all reports of C&AG for the period ending 31st March, 1993 must reach Lok Sabha Sectt. (duly vetted by audit) by **16th May, 1996** at the latest. Despite repeated reminders, CBEC/CBDT has not been able to ensure that the deadline of 16th May, 1996 is adhered to. It is, therefore, proposed to review the position in a meeting to be held on 23rd May at 11.00 A.M. Inconference Room, 7th Floor, 'C' wing, Lok Nayak Bhavan, Khan Market, New Delhi. It is requested that you may kindly depute a senior official, who is fully conversent with the subject matter to participate in the above meeting.

Yours sincerely,

Sd/-
(A.M. SEHGAL)

1. Shri S.N., Shende,
   Member (R&A),
   Deptt. of Revenue (CBDT).
2. Shri B.C. Rastogi,
   Member (Budget),
   Deptt. of Revenue (CBEC).

A.M. SEHGAL
महालेखा-नियंत्रक
Addl. Controller
General of Accounts

D.O.No. 4/4/95-MC
भारत सरकार
GOVERNMENT OF INDIA
वित्त मंत्रालय
MINISTRY OF FINANCE
व्यय विभाग
DEPARTMENT OF EXPENDITURE
7वां तल, लोकनायक भवन, खान मार्किट,
नई दिल्ली-110003
7th Floor, Lok Nayak Bhavan,
Khan Market, New Delh-110003
दिनांक 28.05.1996
Dated 28.05.1996.

Dear Shri Sathyamurti,

Kindly refer to my D.O. letter of even number dated 14th may, 1996 requesting you to depute a senior official of your department for attending a meeting to be held on 22nd May, 1996 for expediting submission of Action Taken Notes (ATNs) in respect of 105th report of P.A.C.

I am sorry to point out that despite our request, no official either from (i) Deptt. of Culture or (ii) Deptt. of Education attended the above meeting. I am sure you would agree with that non-participation in the meeting, especially when a large number of ATNs are still pending was uncalled for. May I, therefore, request that a senior official, (who is fully conversant with the subject-matter) may be deputed to attend a meeting to be held in my room (i.e. Room No. 718, 7th floor, Lok Nayak Bhavan, Khan Market, New Delhi) on 6 June, 1996 at 11.00 A.M.

With best wishes,

Yours sincerely,
Sd-
(A.M. SEHGAL)

Shri S. Sathyamurthi,
FA, Education and Culture,
Shastri Bhavan,
New Delhi.

MOST IMMEDIATE

P.A.C. MATTERS

A.M. SEHGAL
Addl. Controller
General of A/Cs
Tel. No. 4621570

D.O.No.4/4/95-MC
GOVT. OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
O/o Controller General of Accounts
7th floor, Lok Nayak Bhavan,
New Delhi.

4 June, 1996

Dear

Kindly refer to the correspondence resting with Ms. Mira Saxena, CGA's D.O. letter of even No. dated March 29, 1996 regarding furnishing of Action Taken Notes (ATNs) in respect of the reports of C&AG for the period ending 31 March, 1993.

2. Even though the extended date for submission of ATNs has already expired (i.e. 16 May, 1996), yet there are some ATNs relating to your Department/Ministry which are still pending (list enclosed). I shall be grateful if immediate action is taken to review the position of pending ATNs at your end, so that steps are taken to ensure that the remaining ATNs are submitted after vetting by Audit to the Monitoring Cell for onward transmission to Lok Sabha Secretariat without further delay.

Thanking you,

Yours sincerely,
Sd/-
(A.M. SEHGAL)

MIRA SAXENA
Controller General
of A/Cs
Tel. No. 4617758

D.O. No. 44/95-MC
GOVT. OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
O/O CONTROLLER GENERAL OF
ACCOUNTS
7th floor, Lok Nayak Bhavan,
New Delhi.
4 Oct., 1996

Dear Shri,

Please refer to the correspondence resting with my D.O. letter of even No. dated 29th March, 1996 regarding furnishing of Action Taken Notes (ATNs) in respect of the reports of C&AG for the period ending 31 March, 1993.

2. As you are aware, the Public Accounts Committee in its 105th Report (10th Lok Sabha) expressed deep concern over the large pendency of ATNs and directed that steps may be taken to finalize all the outstanding audit paras included in the C&AG Reports up to the period ending 31 March, 1993 within 3 months *i.e.* by 16th November, 1995. The last extension granted by the Lok Sabha Secretariat for submission of ATNs in respect of pending paras has long expired on 16th May, 1996. It has been brought to my notice that some of the ATNs pertaining to your Department/Ministry are still outstanding. The list of paras where ATNs are awaited is enclosed. I shall be grateful if you could direct your officers to finalise all the pending ATNs at the earliest and ensure that the vetted ATNs are sent to the Monitoring Cell for onward transmission to the Lok Sabha Secretariat at a very early date.

Your sincerely,
Sd/-
(MIRA SAXENA)

A.M. SEHGAL
Addl. Controller
General of A/Cs
Phone: 4621570

D.O. No. 4(4)/95-MC
GOVT. OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
O/o Controller General of Accounts
7th floor, Lok Nayak Bhavan,
New Delhi
21 Nov., 1996

Dear Shri

Kindly refer to Cabinet Secretary's D.O.letter No. 223/4/1/96-CAIV dated 1.5.96 followed by subsequent reminder dated 25th September, 1996 regarding the furnishing of Action Taken Notes (ATNs) in respect of 105 Report of the Public Accounts Committee (10th Lok Sabha). **It was suggested therein that a Review Committee may be set up under administrative Secretaries, which should meet at least once every month till all pending ATNs are disposed of.** The Committee was also required to fix responsibility on delinquent officials for their failure to take timely action.

As you are aware, the Public Accounts Committee had directed the 'Monitoring Cell' to make all possible efforts to ensure that ATNs in respect of all reports of C&A&G. for the period ending 31.3.93, duly vetted by Audit are submitted to Lok Sabha Secretariat within 3 months (*i.e.* 16th November, 1995). Since then, we have sought 4 extensions of 3 months each to complete submission of remaining ATNs. However, a number of ATNs are still pending from your Department/Ministry, despite reminders.

As per records of this office, ATNs of your Department /Ministry are still awaited for submission to Lok Sabha Secretariat (details enclosed). As some of the ATNs are stated to be awaiting scrutiny by Audit, it is requested that matter may be pursued with them to complete their scrutiny, so that ATNs (duly vetted by Audit) are submitted to Lok Sabha Secretariat without further loss of time. However, where action is still pending with the department, immediate steps may be taken to ensure that revised ATNs are finalized in the light of audit observations.

Yours sincerely,
Sd/-
(A.M. SEHGAL)

All Concerned FAs:

A.M. SEHGAL
Addl. Controller General of A/Cs
Phone: 4621570

D.O. No. 4(4)/95-MC
GOVT. OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
O/o Controller General of Accounts
7th floor, Lok Nayak Bhavan,
New Delhi
3 Feb., 1997

Dear Shri,

As you are aware, the Public Accounts Committee in its 105th Report (10th Lok Sabha) expressed deep anguish over the large pendency of Action Taken Notes (ATNs) and directed that steps may be taken to finalize ATNs in respect of all outstanding paras included in the C&AG's Reports upto the period ending 31st March, 1993. Subsequently, two more reports have been received *i.e.*(i) for the period ending 31st March 1994 and (ii) for the period ending 31st March, 1995, and ATNs in respect of these reports have also fallen due for submission to the Lok Sabha Sectt.

I am enclosing a list of outstanding paras year wise concerning Ministry/ Department under your charge and shall be grateful if you could direct the concerned officers to finalize all pending ATNs and ensure that the ATNs duly vetted by Audit are sent to the 'Monitoring Cell' for onward transmission to the Lok Sabha Secretariat at the earlie.

With kind regards,

Yours sincerely,
Sd/-
(A.M.SEHGAL)

All concerned FAs.

Recommendation

Another disquieting aspect noticed by the Committee during evidence was that despite the heavy pendency observed, the department of Expenditure did not choose to take up the matter at appropriate forums like Committee of Secretaries. Subsequent to the recording of evidence on this subject, the Committee have however, been informed by the Department of Expenditure that in future the Secretary (Expenditure) would be discussing the matter with the concerned Secretary whenever replies were not sent within four months and the cases involving further delays would be placed before the Committee of Secretaries to drive home the importance and urgency in expediting action. While welcoming these steps proposed to be taken by Department of Expenditure though belated, the Committee would like to know the precise steps now being contemplated in the Department to clear the huge backlog of remedial corrective Action Taken Notes presently pending in various Ministries for an unduly long period. They would also like the Monitoring Cell to make special efforts to ensure that conclusive remedial/corrective Action Taken Notes duly vetted by Audit on all these outstanding paragraphs included in the Audit Reports upto the period ended 31 March, 1993 are obtained from the Ministries concerned and made available to the Committee within three months from the date of presentation of this Report.

[Sl.No. 4, Appendix-IV, Para 48 of 105th Report of P.A.C. (10th Lok Sabha)]

Action Taken by the Government

The functioning of the 'Monitoring Cell' has since been revamped. It has started actively pursuing pending Action Taken Notes with different Departments/Ministries at appropriate levels. In cases of long and persistent delays, the matters are being pursued with the concerned Administrative Secretaries/Financial Advisers through demi-official letters at the level of Secretary (Expenditure) and Controller General of Accounts. In this regard details of various d.o.letters issued by 'Monitoring Cell' are as under:—

(i) D.O. letter dated 20.9.95 from Secretary(Expenditure to Aministrative Secretaries,

(ii) D.O. letter dated 22.9.95 from Controller General of Accounts to Administrative Secretaries,

(iii) D.O. letter dated 18.10.95 from Joint Controller General of Accounts to all Financial Advisers of different Deptts./Ministries,

(iv) D.O. letter dated 25.10.95 from Controller General of Accounts to Administrative Secretaries,

(v) D.O. letter dated 25.10.95 from Joint Controller General of Accounts. to Chairman, Central Board of Excise and Custom/ Central Board of Direct Taxes,

(vi) D.O. letter dated 1.12.95 from Secretary(Expenditure) to Administrative Secretaries,

(vii) D.O. letter dt. 11.1.96 from Controller General of Accounts to Administrative Secretaries,

(viii) D.O. letter dt. 7.2.96 from Controller General of Accounts to concerned Administrative Secretaries/Heads of Departments, and

(ix) D.O. letter dated 7.2.96 from Addl. Controller General of Accounts to concerned Financial Adviser.

However, despite above mentioned efforts, the 'Monitoring Cell' could not succeed in furnishing of all Action Taken Notes in respect of different reports of C&AG for the period ending 31st March, 1993. The pendency of Action Taken Notes, which was 1533 on receipt of PAC's 105th Report has been reduced to 756 (*i.e.* a reduction of over 50%). It is expected that the position further improved. Several Action Taken Notes submitted to Audit by different Departments/Ministries are received back duly vetted. In the meantime permission has been granted for submitting remaining Action Taken Notes by the extended date (*i.e.* 16th May, 1996).

This has been vetted by Audit *vide* their U.O.No.RR/1-34/95-96/17 dated 4.4.1996

[Ministry of Finance (Expenditure) OM No.1/105/95-MC dated 4.4.1996]

Updated Action Taken Note furnished by the Ministry

The functioning of the 'Monitoring Cell' has since been revamped. It has started actively pursuing pending Action Taken Notes with different Departments/Ministries at appropriate levels. In cases of long and persistent delays the matters are being pursued with the concerned Administrative Secretaries/Financial Advisers through demi-official letters at the level of Secretary (Expenditure) and Controller General of Accounts. In this regard details of various d.o. letters issued by 'Monitoring Cell' are as under:—

(i) D.O. letter dated 20.9.95 from Secretary (Expenditure) to Administrative Secretaries,

(ii) D.O. letter dated 22.9.95 from Controller General of Accounts to Administrative Secretaries,

(iii) D.O. letter dated 18.10.95 from Joint Controller General of Accounts to all Financial Advisers of different Departments Ministries,

(iv) D.O. letter dated 25.10.95 from Controller General of Accounts to Administrative Secretaries,

(v) D.O. letter dated 25.10.95 from Joint Controller General of Accounts to Chairman, Central Board of Excise and Custom/ Central Board of Direct Taxes,

(vi) D.O. letter dated 1.12.95 from Secretary (Expenditure) to administrative Secretaries,

(vii) D.O. letter dated 11.1.96 from Controller General of Accounts to administrative Secretaries,

(viii) D.O. letter dated 7.2.96 from Controller General of Accounts to concerned administrative Secretaries/Heads of Departments,

(ix) D.O. letter dated 7.2.96 from Addl. Controller General of Accounts to concerned Financial Advisers,

(x) D.O. letter dated 14.3.96 from Addl. Controller General of Accounts to concerned Financial Advisers,

(xi) U.O. letter dated 27.3.96 from Addl. Controller General of Accounts to Chairman, Central Board of Excise and Customs,

(xii) U.O. letter dated 29.3.96 from Addl. Controller General of Accounts to Chairman, Central Board of Direct Taxes,

(xiii) U.O. letter dated 29.3.96 from Addl. Controller General of Accounts to Member (Budget), Central Board of Excise and Custom and Member (CX), Central Board of Excise and Custom,

(xiv) D.O. letter dated 29.3.96 from Controller General of Accounts to administrative Secretaries,

(xv) D.O. letter dated 12.4.96 from Addl. Controller General of Accounts to Financial Adviser, Department of Revenue (Central Board of Direct Taxes and Central Board of Excise and Custom),

(xvi) D.O. letter dated 8.5.96 from Addl. Controller General of Accounts to Financial Advisers,

(xvii) D.O. letter dated 14.5.96 from Addl. Controller General of Accounts to Financial Advisers,

(xviii) D.O. letter dated 20.5.96 from Addl. Controller General of Accounts to Member (R&A) Central Board of Direct Taxes and Member(Budget), Central Board of Excise & Custom,

(xix) D.O. letter dated 28.5.96 from Addl. Controller General of Accounts to Financial Adviser (Education),

(xx) D.O. letter dated 4.6.96 from Addl. Controller General of Accounts to Financial Advisers,

(xxi) D.O. letter dated 4.10.96 from Controller General of Accounts to administrative Secretaries,

(xxii) D.O. letter dated 21.11.96 from Controller General of Accounts to Financial Advisers,

(xxiii) D.O. letter dated 3.2.97 from Addl. Controller General of Accounts to administrative Secretaries.

However, despite above mentioned efforts, the 'Monitoring Cell' could not succeed in furnishing of all Action Taken Notes in respect of different reports of C&AG for the period ending 31st March, 1993. The pendency of Action Taken Notes, which was 1533 on receipt of PAC's 105th Report has been reduced to 352 (i.e. a reduction of over 77%). It is expected that the position would further improve as soon as several Action Taken Notes submitted to Audit by different Departments/Ministries are received back duly vetted.

This was vetted by Audit vide their u.o. No. RR/1-34/95-96/17 dated 4.4.1996.

[Ministry of Finance (Expenditure) O.M.No. 1/105/95-MC Dated 11/3/97]

Recommendation

As has already been brought out earlier in this Report, the Committee's examination of the pendency of finalisation of remedial/corrective Action Taken Notes has revealed that such notes on about 755 paragraphs included in the various audit Reports upto the period 31 March, 1993 are still awaited from over 30 Ministries/Departments. Since it was not possible to examine all these Ministries, the Committee took up for examination only the illustrative cases relating to the Ministries of Commerce, information & Broadcasting, Urban Development and Railways. The fact that subsequent to the selection of this subject for detailed examination by the Committee, all these four Ministries have introduced new systems specifying responsibilities at various levels for timely finalisation of remedial/corrective Action Taken Notes clearly brings to the forefront the Inadequacy in institutional arrangements which were hitherto in existence in these Ministries to watch progress of finalisation of notes indicating remedial/corrective action taken on the audit paragraphs relating to them. Surprisingly, the Ministry of Railways have gone on record to state that the thrust in the existing arrangement was mainly on sending timely replies to Draft Paras/Provisional paras and the same amount of attention was not given to follow up action taken on the various paragraphs included in the C&AG's Report. In the opinion of the Committee, this state of affairs indicates nothing but the callous attitude of the Ministries in evolving a sound system to review the position of the audit paragraphs on which remedial/corrective Action Taken Notes are to be finalised and submitted by them to the Committee within the prescribed time schedule. The net result is that remedial/corrective Action Taken Notes in a large number of cases continue to remain outstanding in different Ministries for considerably longer periods of time thus rendering virtually nugatory the entire purpose of parliamentary scrutiny of the various issues brought out in different Reports of the C&AG laid on the Table of the House. The Committee would therefore, like to emphasise the need for thorough overhaul of the systems prevalent in the various Ministries/Departments for monitoring progress of finalisation of remedial/corrective Action Taken Notes and their timely submission to the Committee. The Committee

desire that all Ministries/Departments should tone-up their administration and evolve effective machinery with a view to ensuring timely submission of the remedial/corrective Action taken notes to the Committee. They would like the Department of Expenditure to furnish a consolidated position indicating the concrete steps taken by the various Ministries/ Departments in this regard.

[Sl. No.5—Appendix—IV—Para 49 of 105th Report of P.A.C. (10th Lok Sabha)]

Action Taken by the Government

In pursuance of the observations made by the Public Accounts Committee, the 'Monitoring Cell' has already requested different administrative Departments/Ministries *vide* D.O. letter No. 4/4/95-MC dated 14.3.96 to tone up their administration and evolve an effective machinery for ensuring timely submission of Action Taken Notes to the Lok Sabha Secretariat.

The Ministries/Departments have taken several steps to tone up their administration and have also taken action to evolve a mechanism, whereby possibility of delays in the submission of Action Taken Notes is minimised. In this connection, a consolidated note on this has been prepared on the basis of the replies received from the various Ministries/Departments for the perusal of the Committee. In most Departments/Ministries, review Committees have been set up under their Financial Advisors/Chief Controller of Accounts.

This has been vetted by Audit *vide* their U.O. No. RR/1-35/95-96/29 dt. 8.4.1996.

[Ministry of Finance (Expenditure) O.M. No.1/10/95-MC dated 24.4.1996.]

Recommendation

At the instance of the Committee, certain Ministries have furnished status reports indicating the latest position in respect of submission of remedial/corrective Action Taken Notes on the outstanding audit paragraphs relating to them. A scrutiny of the status reports received from the Ministries of Information & Broadcasting, Urban Development and Railways has revealed that these Ministries had submitted remedial/ corrective Action Taken Notes to the Audit for vetting on as many as 10, 29 and 43 outstanding audit paragraphs respectively during the month of June 1995 itself. Undoubtedly, this action in these Ministries was a sequel to the Committee's communication to them about examination of this subject. This is clearly indicative of the lack of seriousness on the part of the Ministires/Departments in attending to such a vital area of Governmental functioning and accountability. The deposition made by the representative of the Ministry of Urban Development before the Committee, "Unfortunately, the tendency is that unless the highest

authority in the Ministry reviews it, matters are delayed" typifies this tendency. The Committee have no doubt that if those Ministries could clear the pendency at such a rapid pace, the other defaulting Ministries especially the Home Affairs, Human Resource Development, Health and Family Welfare and Surface transport where the pendency is very alarming should not have any plausible difficulty in clearing their backlog.

[Sl.No.6-Appendix—IV—Para 50 of the 105th Report of PAC (10 Lok Sabha)]

Action Taken by the Government

In pursuance of the observations of the Committee, the Ministries of Home Affairs, Human Resource Development, Health and Family Welfare and Surface Transport have intimated that the pendency of Action Taken Notes has been further reduced, as under:

Ministry	Total number of paras on which Action Taken Notes were	
	pending at the time of receipt of 105th Report	pending at present
Home Affairs	58	38
Human Resource Development	53	31
Health and Family Welfare	34	13
Surface Transport	41	24

This has been vetted by Audit *vide* their U.O.No. RR/1-50/95-96/80 dated 23.4.1996.

[Ministry of Finance (Expenditure) O.M.No.1/105/95-MC dated 09.05.1996]

Updated Action Taken Note furnished by the Ministry

In pursuance of the observations of the Committee, the Ministries of Home Affairs, Human Resource Development, Health and Family Welfare and Surface Transport have intimated that the pendency of Action Taken Notes has been further reduced, as under:—

Ministry	Total number of paras on which Action Taken Notes were	
	pending at the time of receipt of 105th Report	pending at present
Home Affairs	58	26
Human Resource Development	53	24
Health and Family Welfare	34	2
Surface Transport	41	6

This was vetted by Audit *vide* their U.O.No. RR/1-50/95-96/80 dated 23.04.1996.

[Ministry of Finance (Expenditure) O.M.No.1/105/95-MC dated 11.03.1997]

Recommendation

One of the main contributory causes for heavy pendency of remedial/ corrective Action Taken Notes in different Ministries is reported to be the time factor involved in obtaining necessary details from the field formations for finalisation of the relevant notes. The Committee have considered this aspect and they realise that it may sometimes not be possible for Ministries to furnish conclusive information duly vetted by Audit within a short period. They therefore, desire that in future the vetted remedial/corrective Action Taken Notes on audit paragraphs included in various Reports of the C&AG laid on the Table of the House be furnished to the Committee through Monitoring Cell within a period of three months from the date when the selection of subjects by the Committee for a particular year is communicated to the Ministries/ Departments.

[Sl. No. 7-Appendix-IV-Para 51 of 105th Report of PAC (10th Lok Sabha)]

Action Taken by the Government

The observations of the Committee regarding the time limit of 3 months from the date when selection of the subjects by the committee for the particular year is communicated to the respective Ministries/Departments,

has been conveyed to the administrative departments/Ministries *vide* our O.M. No. 1/105/95-MC dated 15th March, 1996 (copy enclosed) for their guidance and taking follow up action.

This has been vetted by Audit *vide* their U.O. No. RR/1-51/95-96/27 dated 08/04/1996.

[Ministry of Finance (Expenditure) O.M. No. 1/105/95-MC dated 24.04.1996.]

F.No.1/10595-MC
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
(MONITORING CELL)

Room No. 29, Second Floor,
Lok Nayak Bhavan, Khan Market,
New Delhi, the 15th March, 1996.

OFFICE MEMORANDUM

SUBJECT:—*Action taken on the recommendations contained in the hundred and Fifth Report (Tenth Lok Sabha) of the Public Accounts Committee on Paragraph 11.3 of the Report of C&AG for the year ended 31st March, 1994 (No. 1 of 1995), Union Government (Civil) relating to 'Follow up on Audit Reports'.*

In continuation of this Ministry's Office Memorandum of even number dated 7th March, 1996, the undersigned is directed to invite the attention of all the Ministries/Departments to Para 51 of the 105th Report of Public Accounts Committee (10th Lok Sabha) wherein it has been desired by the Committee that

> "in future the vetted remedial/corrective Action Taken Notes on Audit paragraphs included in various Reports of the C&AG laid on the Table of the House be furnished to the Committee through Monitoring Cell within a period of three months from the date when the selection of subjects by the Committee for a particular year is communicated to the Ministries/Department."

This may kindly be noted for necessary compliance.

Sd-
(KRISHAN KUMAR)
UNDER SECRETARY TO THE GOVERNMENT OF INDIA
Tele: 4626829

To

The Financial Advisers of all the Ministries/Deptts.

Copy forwarded for information and necessary action to all the Ministries/Departments of Govt. of India.

Copy also forwarded to Shri P. Sreedharan, Under Secretary (PAC) Lok Sabha Sectt. Parliament House Annexe, New Delhi.

Copy also forwarded to C&AG of India as per Standard Distribution List.

Sd-
(KRISHAN KUMAR)
UNDER SECRETARY TO THE GOVERNMENT OF INDIA
Tele: 4626829

Recommendation

Although the Committee select about 30-35 parapraphs every year, they are often unable to examine all those paragraphs during the same year. In the event of those unexamined paragraphs getting not selected for detailed examination in the subsequent years, they assume the position of non-selected paragraphs and thus qualify for reporting of remedial/corrective action, as per the existing directions of the Committee. For example, out of the total of 32 and 29 audit paragraphs initially selected for examination by them during the years 1993-94 and 1994-95, the Committee could not examine 25 and 19 audit paragraphs in the respective years. Unfortunately, such unexamined paragraphs have largely been unattended to hitherto by the Ministries/Departments concerned presumably on their being incorrectly interpreted as selected paragraphs. Undoubtedly, this vitiates the principle of accountability on all Audit paragraphs and requires to be remedied forthwith. The Committee, therefore, recommend that in future, the Ministry of Finance should ensure that the requisite action taken notes are furnished by the Ministries/Departments concerned on all the Audit paragraphs irrespective of whether they have been selected by the Committee for detailed examination or otherwise. Furnishing of corrective/ remedial action taken notes outstanding in respect of all such paragraphs relating to the past years from the various Reports of the C&AG should also be got expedited by the Ministry of Finance by the time stipulated by the Committee in paragraph 48 of this Report.

[Sl. No. 8-Appendix-IV-Para 52 of 105th Report of PAC (10th Lok Sabha)]

Action Taken by the Government

The observations of the Committee regarding submission of Action Taken Notes in respect of paragraphs of the C&AG's report, irrespective of whether they have been selected by the Committee for detailed examination or otherwise, have been conveyed to the administrative Departments/Ministries *vide* our O.M.No.1/10595-MC dated 7th March, 1996 (copy enclosed) for ensuring the compliance.

In view of the recommendations of the 105th Report of the PAC since the Action Taken Notes are now required for all the paragraphs irrespective of the fact whether they have been selected for detailed examination or otherwise, the Monitoring Cell is keeping an account of all the outstanding paras and pursuing with the concerned Ministries to expedite the submission of all these outstanding paras to the Lok Sabha Secretariat by the due date *i.e.* 16th May, 1996.

This has been vetted by Audit *vide* their U.O. No. RR/1-36/95-96/21 dated 04.04.1996.

[Ministry of Finance (Expenditure) O.M. No.1/10595-MC dated 24.04.1996]

No.1/105/95-MC
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
(MONITORING CELL)
***

Room No. 29, Second Floor,
Lok Nayak Bhavan, Khan Market,
New Delhi, the 7th March, 1996.

OFFICE MEMORANDUM

SUBJECT:—*Action taken on the recommendations contained in the Hundred and Fifth Report (Tenth Lok Sabha) of the Public Accounts Committee on Paragraph 11.3 of the Report of C&AG for the year ended 31st March, 1994 (No.1 of 1995), Union Government (Civil) relating to 'Follow up on Audit Reports'.*

***

The undersigned is directed to say that as per recommendations contained in 105th Report of Public Accounts Committee (Tenth Lok Sabha) all the Ministries/Departments were required to take action on the following recommendations contained therein and intimate the progress made in this regard to the Monitoring Cell:

(i) Reasons for inordinate delays and persisting failures on the part of a large number of Ministries/Departments in furnishing the remedial/corrective action taken notes on audit paras, contained in various reports of C&AG of India, concerning them (Para 46 of the Report).

(ii) All the Ministries/Departments were required to tone up their existing system and evolve effective machinery with a view to ensuring timely submission of the corrective/remedial Action Taken Notes to the PAC. The measures taken by them for timely clearence of pending Action Taken Notes should be submitted to the Monitoring Cell for submitting a consolidated report to PAC in this regard. (Para 46 & 49 of the Report)

(iii) The Committee recommended *vide* para 52 of their Report that in future all Action Taken Notes be furnished to them on all the audit paras irrespective of whether they have been selected by the Committee for oral examination or otherwise. Corrective/

remedial ATNs in respect of such outstanding paragraphs relating to the past years from the various reports of the C&AG are also required to be furnished to the PAC.

(iv) The Committee desires that notes indicating corrective remedial Action Taken Notes by the Ministries/Departments on paragraphs contained in various audit reports should be hereafter furnished in the format as forwarded vide Annexure-II of this Department O.M. No. 1/105/95-MC (Pt) dated 6.9.1995.

2. All the Ministries/Departments are, therefore, requested to furnish to this Department the details of various steps/measures taken by them in the light of above observations of the PAC to enable us to furnish a consolidated reply to the Committee. This may be treated as *MOST URGENT* and replies be sent as early as possible by 29.3.1996 positively to the Monitoring Cell on the above address.

Sd-
(P. SUDHIR KUMAR)
Deputy Controller General of Accounts
Tele : 4622301

The Financial Advisers of all the Ministries/Departments.

Copy forwarded for information and necessary action to all the Ministries/Departments of Government of India.

Copy also forwarded to Shri P. Sreedharan, Under Secretary (PAC) Lok Sabha Sectt. Parliament House Annexe, New Delhi.

Copy also forwarded to C&AG of India as per Standard Distribution List.

Sd-
(KRISHAN KUMAR)
Under Secretary to the Government of India
Tele: 4626829

Recommendation

In order to make the reporting of remedial/corrective action meaningful and purposive, the Committee desire that the notes indicating remedial/ corrective action taken by the Ministries/Departments on the Paragraphs contained in various Audit Reports should be hereafter furnished in the

format appended at Appendix-III to this Report. The Committee would like the Ministry of Finance (Department of Expenditure) to bring this format to the notice of all Ministries/Departments for appropiate action.

[Sl.No.9—Appendix—IV—Para 53 of 105th Report of PAC (10th Lok Sabha)]

Action Taken by the Government

The revised format in Appendix III of PAC's 105th Report has been conveyed to the administrative Ministries/Departments vide our OM No.1/105/95-MC dated 6th September, 1995 (copy enclosed) for taking further necessary action.

This has been vetted by Audit *vide* their U.O.No.RR/1-37/95-96/19 dated 4.4.1996.

[Ministry of Finance (Expenditure) OM No.1/105/95-MC dated 4.4.1996

No. 1/105/95-MC (Pt)
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE
MONITORING CELL

Room No. 29, Second Floor, B-Wing
Loknayak Bhavan, Khan Market
New Delhi-110003 the 6th Sept. 1995

OFFICE MEMORANDUM

SUBJECT: *Action taken on the recommendations contained in the Hundred and Fifth Report (Tenth Lok Sabha) of the Public Accounts Committee on Paragraph 11.3 of the Report of C&AG for the year ended 31 March, 1994 (No. 1 of 1995), Union Government (Civil) relating to 'Follow up on Audit Reports'.*

The Public Accounts Committee in its 105th Report (10th Lok Sabha) on the above subject has expressed their dissatisfaction over the state of affairs in various Ministries/Departments in regard to the submission of ATNs both in respect of PAC Reports/C&AG's Reports to the Lok Sabha Secretariat/Monitoring Cell. The necessary extracts (Paras 43 to 53) on which action is required to be taken by the Ministries/Departments are enclosed for early submission of ATNs.

2. The Committee have pointed out that they select about 30-35 paras every year for detailed examination but all the paras can not be examined by them. Consequently, in subsequent years these paras assume the position of non-selected paragraphs and qualify for reporting of remedial/ corrective action, as per the existing directions of the Committee. The Committee desires that ATNs on such un-examined paragraphs should also be furnished to the Monitoring Cell. The action may be taken accordingly.

3. The Committee also desires that ATNs in respect of PAC Reports as well as C&AG's Reports should be furnished in the format as per Annexure I and II to this O.M.

4. An up-to-date list of pending audit paras alongwith the ATNs may be furnished to the Monitoring Cell by 31st October, 1995 positively in order to enable the Monitoring Cell to compile and forward the same to the Lok Sabha Sectt. within the specified time limit.

Sd—
(H.N. NAYER)
JOINT CONTROLLER GENERAL OF ACCOUNTS
TELE: 4621570

The Financial Advisers of all the Ministries/Departments.

Copy forwarded for information and necessary action to all the Ministries/Departments of Government of India.

Copy also forwarded to Shri P. Sreedharan, Under Secretary (PAC), Lok Sabha Sectt., Parliament House Annexe, New Delhi-1 with the request to forward five printed copies of the Report.

Sd—
(H.N. NAYER)
JOINT CONTROLLER GENERAL OF ACCOUNTS
TELE: 4621570

ANNEXURE-I

Procedure to be followed by Ministries/Departments while furnishing Action Taken Notes.

(i) Statement indicating action by Government may be furnished as in the proforma attached. For facility of reference, the recommendations/observations of the Committee have been reproduced in consolidated form in Appendix to the Report. While this may be referred to for indicating the relevant Sl. No. of the recommendation/observation in the Action Taken Statement. It may be noted that the recommendations/observations as they appear in the body of the Report are to be replied to. It may, therefore, be ensured that replies to all the recommendations/ observations appearing in the Report whether they are included in the Appendix or not, are furnished.

(ii) Forty copies each of the statements in English and 15 in Hindi showing the action taken on each recommendation/observation of the Committee, duly vetted by Audit and signed by the Secretary/ Additional Secretary/Joint Secy. may be furnished to the Lok Sabha Secretariat. The date of communication may also be specifically indicated.

(iii) Five copies each of the action taken notes may be sent to the Office of the Comptroller & Auditor General of India and Principal Audit Officer while forwarding advance/vetted copies of the note.

(iv) Replies to all the recommendations/observations may be sent to Lok Sabha Sectt. (PAC Branch) in one batch duly stitched, paginated and place in a cover alongwith a content page to facilitate easy reference.

(v) Replies should be comprehensive and not inconclusive, vague or couched in general terms like 'Noted' or 'accepted' etc.

(vi) The set of Action Taken Notes should contain a cover page showing the following:
Action on Taken Notes

_____ the Report (_____Lok Sabha) of Public Accounts Committee relating _____ (Ministry of_____) Each recommendation may be dealt with on a new page.

ANNEXURE-I

PROFORMA FOR PAC REPORTS

Name of the Ministry/Department

Recommendation

(Here reproduce the text of the recommendation/observation)

[Sl. No._____ Appendix_____
Para _____ of_____Report
of PAC (10th Lok Sabha)]

Action Taken

(Here give the text of Note/Memo. etc. of the Ministry/Department).

Signature of Secretary/
Addl. Secretary/Joint Secretary

(Min./Deptt. of_____OM No._____
_____dated_____

Important: Each recommendation/observation and reply thereto should begin on a separate page.

ANNEXURE-II

(Vide Para 53)

FORMAT OF ACTION TAKEN NOTE (C&AG's Reports)

I. (a) Ministry/Department
(b) Subject/title of the Review/Paragraph
(c) Paragraph No.
(d) Report No. and year

II. (a) Date of receipt of the draft Paragraph/Review in the Ministry
(b) Date of Ministry's reply

III. Gist of Paragraph/Review

IV. (a) Do the Ministry agree with the facts and figures included in the Paragraph?
(b) If not, please indicate the areas of disagreement and also attach documents in support.

V. (a) Main Audit conclusions:

1. Deficiency in the existing system including system of internal control.
2. Failure to follow the systems and Procedure.
3. Failure of individuals.
4. Amount of loss/short assessment/short levy.

(b) Do the Ministry agree with the Audit conclusions? If not, please indicate specific areas of disagreement, reasons for disagreement and also attach copies of relevant documents, where necessary.

VI. Remedial actions taken:

(i) Improvement in system and procedures including internal controls.

(ii) Recovery of overpayment pointed out by Audit.

(iii) Recovery of under assessment, short levy or other dues.

(iv) Write-off of amount of losses/wasteful expenditure/irrecoverable amount.

(v) Modifications in the scheme, including financing pattern.

(vi) Review of similar cases/complete scheme/project in the light of findings of sample check by Audit.

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

-NIL-

CHAPTER IV

RECOMMENDATIONS / OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

-NIL-

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

-NIL-

NEW DELHI;
14 April, 1997
24 Chaitra, 1919 (Saka)

DR. MURLI MANOHAR JOSHI,
Chairman,
Public Accounts Committee.

APPENDIX

CONCLUSIONS AND RECOMENDATIONS

Sl. No.	Para No.	Ministry / Deptt. Concerned	Conclusion / Recommendation
1	2	3	4
1.	13	Ministry of Finance (Deptt. of Expenditure)	Taking a serious view of the inordinate delays and persistent failures on the part of a large number of Ministries/ Departments in furnishing the remedial/ corrective action taken notes on the Audit paragraphs relating to them, the Committee had desired that the requisite notes duly vetted by Audit on all the pending paragraphs of the audit Reports upto the period ended 31 March, 1993 be submitted to them within a period of three months from the date of presentation of their earlier Report. The Committee regret to note that out of 1533 paragraphs on which notes were outstanding at the time of presentation of their Original Report, the replies were submitted within three months on 81 paragraphs only, which constituted a mere 5.3 per cent. Notes in respect of more than 50 per cent of the pending Audit paragraphs remained outstanding even in March, 1996, *i.e.* after the lapse of a period of more than six months from the presentation of the Report of the Committee. What has caused deep concern to the Committee is that the remedial /corrective action taken notes are still pending in respect of as many as 352 out of the 1533 Audit paragraphs. The Committee, therefore, are constrained to observe that despite the claims made by the Ministry of

1	2	3	4
			Finance to have revamped their Monitoring Cell for expeditious submission of the requisite notes to the Committee, the actual performance of the Cell continues to be highly unsatisfactory. While expressing their displeasure over the same, the Committee desire that effective steps be taken urgently and submission of all the pending notes be expedited within a period of two months from the presentation of this Report.
2.	14	-do-	14. In their earlier Report, the Committee had also emphasised the need for a thorough overhaul of the systems prevalent in the various Ministries/Departments for monitoring the progress of finalisation of remedial/ corrective action taken notes and their timely submission to the Committee. The Ministry of Finance have now stated that the Ministries/Departments have taken several steps to tone up their administration and also have taken action to evolve a mechanism, whereby possibility of delays in the submission of action taken notes is minimised. Considering the fact that action taken notes in respect of as many as 352 paragraphs pertaining to Audit Reports for the period ended 31 March, 1993 are yet to be submitted, it is obvious that the measures taken are quite inadequate and the Committee are not inclined to accept the efficacy of the improvements in the system claimed to have been effected by the various Ministries/Departments. The Committee, therefore, desire that the reasons for the failures of the Ministries/Departments concerned who

1	2	3	4
			had defaulted in the 353 cases mentioned above should be thoroughly inquired into and responsibility fixed for the lapses. The Committee also desire that the Ministry of Finance should obtain and submit a consolidated report to them in this regard including the additional measures adopted.
3.	15	-do-	The Committee note with concern that the follow-up-action taken on Audit Reports subsequent to the years ended 31 March, 1993 has also been tardy. It is disconcerting to find that out of a total of 792 paragraphs on which remedial/corrective action taken notes were due in respect of Audit Reports for the year ended 31 March, 1994, the Ministry of Finance (Department of Expenditure—Monitoring Cell) are yet to furnish replies in respect of about 400 paragraphs. Further, out of 925 paragraphs relating to Audit Reports for the year ended 31 March, 1995, the action taken notes, which were due to be submitted by 24th December, 1996, were furnished on 176 paragraphs only. This further fortifies that as in the case of the nodal agency, *viz.* the Ministry of Finance (Department of Expenditure) the improvements in the system claimed to have been effected in the other Ministries/Departments concerned remained simply on paper and not in terms of tangible results. While expressing their dissatisfaction over the same, the Committee desire that the matter be looked into and concerted efforts made by all concerned to streamline the process of submission of remedial/corrective action taken notes in time. The Committee also desire that the submission of all the pending action taken notes pertaining to Audit Reports for the years ended 31 March, 1994 and 1995 be expedited within a period of three months from the presentation of this Report.

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4.	16	-do-	In their earlier Report, the Committee had recommended that in future the vetted remedial/corrective action taken notes on Audit paragraphs included in various Reports of the C&AG laid on the Table of the House be furnished to the Committee through Monitoring Cell within a period of three months from the date when the selection of subjects by the Committee for a particular year was communicated to the Ministries/ Departments. The Committee have further reviewed the said time-limit particularly taking into account some difficulties brought to the notice of the Committee earlier by a few Ministries, the inevitable delay in the constitution of the Committee in certain peculiar situations, the time involved in the process of obtaining the notes vetted by Audit etc. Accordingly, the Committee recommend that remedial/corrective action taken notes on all paragraphs of the Reports of the C&AG (including those selected by the Committee for detailed examination), duly vetted by Audit, be furnished to them through the Ministry of Finance (Department of Expenditure—Monitoring Cell) within a period of four months from the date of the laying of Audit Reports on the Table of the House starting from the Reports of the C&AG of India for the year ended 31 March, 1996 onwards.

PART-II

MINUTES OF THE TWENTY THIRD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 9 APRIL, 1997

The Committee sat from 1500 hrs. to 1630 hrs. on 9 April, 1997 in Room No. "62", Parliament House.

PRESENT

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

LOK SABHA

2. Shri Nirmal Kanti Chatterjee
3. Smt. Sumitra Mahajan
4. Shri Ajit Kuamr Mehta
5. Dr. T. Subbarami Reddy
6. Shri B.L. Shankar
7. Shri Ishwar Dayal Swami

RAJYA SABHA

8. Smt. Margaret Alva
9. Shri Ajit P.K. Jogi
10. Shri R.K. Kumar
11. Shri N. Giri Prasad
12. Shri Rajubhai A. Parmar

LOK SABHA SECRETARIAT

1. Shri J.P. Ratnesh —*Joint Secretary*
2. Smt. P.K. Sandhu —*Director*
3. Shri P. Sreedharan —*Deputy Secretary*
4. Shri Rajeev Sharma —*Under Secretary*

OFFICERS OF THE OFFICE OF C&AG OF INDIA

1. Shri B.M. Oza —Director General of Audit (CR)
2. Shri Vijay Kumar —Director General of Audit (P&T)
3. Shri Vikram Chandra —Pr. Director (Indirect Taxes)
4. Shri A.K. Thakur —Pr. Director (Reports—Central)
5. Shri S.C.S. Gopalakrishnan —Director (Rlys.)

2. The Committee took up for consideration the following draft Reports:—

(i) Action Taken on 104th Report of PAC (10th Lok Sabha) on MODVAT Scheme—fraudulent availment of credits.

(ii) Action Taken on 105th Report of PAC (10th Lok Sabha) on Follow up on Audit Reports.

(iii) Action Taken on 109th Report of PAC (10th Lok Sabha) on injudicious leasing of aircraft.

(iv) Union Government Appropriation Accounts (1994-95)—Postal Services.

(v) Lower categorisation leading to loss of Rs. 352.30 lakhs [Paragraph 3.5 of Audit Report No. 2 of 1996 (Civil)].

3. The Committee adopted the draft Reports mentioned at Sl. Nos. (i) to (iv) with certain modifications and amendments as shown in Annexures I to IV respectively. The Committee deferred consideration of draft Report mentioned at Sl. No. V to 10 April, 1997.

4. The Committee also authorised the Chairman to finalise the draft Reports mentioned at Sl.Nos. (i) to (iv) in the light of verbal and consequential changes arising out of factual verification by Audit and present to same to the House.

5. The Committee then decided to hold sitting of the Committee on 10 April, 1997 from 1000 hrs. instead of 1100 hrs. as notified earlier for consideration and adoption of draft Report on lower categorisation leading to loss of Rs. 352.30 lakhs.

The Committee then adjourned.

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*Annexures I, III and IV not appended.

ANNEXURE - II

AMENDMENTS/MODIFICATIONS MADE BY THE PUBLIC ACCOUNTS COMMITTEE IN THE DRAFT ACTION TAKEN REPORT RELATING TO FOLLOW-UP ON AUDIT REPORTS

Page	*Para*	*Line*	*Amendments/Modifications*
10	13	4	**Delete** "tall" **before** "claims".
10	13	11	**Delete** "positively" **before** "from the".
10	14	4th from bottom	*Insert* "it is obvious that the measures taken are quite inadequate and" **after** "submitted".
11	14	6	**Add** "including the additional measures adopted" **after** "in this regard".
11	15	16	**Delete** "also" **before** "remained".
12	16	last	**Add** "starting from the Reports of the C&AG of India for the year ended 31 March, 1996 onwards" **after** "Table of the House".

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Sl. No.	Name of Agent

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